

INVESTOR LETTER

December 15, 2023

Community Development Administration
7800 Harkins Road
Lanham, MD 20706

Wilmington Trust, National Association
Global Capital Markets
1100 N. Market Street
Wilmington, DE 19890

Stifel, Nicolaus & Company, Incorporated
Lakeview Center, Suite 400
2660 Eastchase Lane
Montgomery, AL 36117

\$39,565,000
Community Development Administration
Maryland Department of Housing and Community Development
Multifamily Development Revenue Bonds
(Wakefield Terrace)
Series 2023 D

Ladies and Gentlemen:

The Vanguard Group Inc. is serving as investment advisor to, and has authority to sign on behalf of, Vanguard Ultra-Short-Term Tax-Exempt Fund and Vanguard Limited-Term Tax-Exempt Fund (which funds are collectively referred to herein as, the “Investors” or “Investor”) in connection with this transaction.

The Investors hereby acknowledge receipt of \$39,565,000 in aggregate principal amount of the above-referenced bonds (the “Bonds”).

The Investors acknowledge that the Bonds were issued for the purpose of making a loan to assist in the financing of the acquisition, rehabilitation and/or construction of a certain 204-unit housing development located in Waldorf, Charles County, Maryland, and to be known as Wakefield Terrace (the “Project”), as more particularly described in that certain Financing Agreement dated as of December 1, 2023 (the “Financing Agreement”), among the Community Development Administration (the “Administration”), a unit of the Division of Development Finance of the Department of Housing and Community Development, a principal department of the State of Maryland (the “Department”), Wilmington Trust, National Association, a national banking association, as trustee (the “Trustee”), and FH Wakefield Terrace LIHTC LP, a Maryland limited partnership, together with its permitted successors and assigns (the “Borrower”). The

Bonds are issued pursuant to the Trust Indenture dated as of December 1, 2023 (the “Indenture”), by and between the Administration and the Trustee, which creates a security interest in the trust estate described therein (the “Trust Estate”) for the benefit of the owners of the Bonds.

Capitalized terms used herein and not otherwise defined have the meanings given to such terms in the Indenture.

In connection with the purchase of the Bonds by the Investors, the Investors hereby make the following representations upon which you may rely:

1. The Investors have authority to purchase the Bonds and to execute this letter and any other instruments and documents required to be executed by the Investors in connection with the purchase of the Bonds.

2. Each of the Investors is (i) a “qualified institutional buyer” as defined in Rule 144A of the Securities Act of 1933, as amended (the “1933 Act”) (such qualified institutional buyer is a “Qualified Institutional Buyer”); (ii) an “accredited investor” as defined in Rule 501(a)(1) or (2) of Regulation D of the 1933 Act (an “Accredited Investor”) and not an individual; or (iii) an entity that the Administration has approved in writing to purchase the Bonds.

The Investors further understand and acknowledge that, without the prior written consent of the Administration, the Bonds may not be sold, transferred or otherwise disposed of (in whole but not in part), provided that no such consent is required for transfers to an Affiliate of the Investors, which is either a Qualified Institutional Buyer or an Accredited Investor (each, a “Permitted Transferee”), and provided further that such Permitted Transferee, in connection with any proposed purchase of the Bonds, must first execute and deliver to the Administration and the Trustee an investor letter substantially in the form of this Investor Letter with no revisions except as may be approved in writing by the Administration. For purposes hereof, an “Affiliate” with respect to an entity is an entity that controls, is controlled by, or is under common control with such entity, and “control” (including the correlative meaning of “controlled by” or “under common control with”) means effective power, directly or indirectly, to direct or cause the direction of the management and policies of such other entity.

3. The Bonds are being acquired by the Investors for investment and not with a view to, or for resale in connection with, any distribution of the Bonds, and each of the Investors intends to hold the Bonds for its own account and for an indefinite period of time. The Investors understand that they may need to bear the risks of this investment, including without limitation, bankruptcy risks, for an indefinite time, since any sale prior to maturity may not be possible.

4. The Investors understand that the Bonds are not registered under the Securities Act of 1933 and that such registration is not legally required as of the date hereof; and further understands that the Bonds (a) are not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed in any

stock or other securities exchange, (c) will not carry a rating obtained by the Administration from any rating service and (d) will be delivered in a form that is not readily marketable.

5. The Investors understand that the Bonds are special obligations of the Administration and that the Bonds are not a debt of and do not pledge the faith, credit or taxing power of the State of Maryland, the Department, the Administration or any political subdivision thereof, but are payable solely from the revenues and assets provided for in the Indenture.

6. The Investors have either been supplied with or been given access to information, including financial statements and other financial information, to which the Investors attach significance in making investment decisions, and the Investors have had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Borrower, the Project and the Bonds. The Investors have not relied upon the Administration for any information, including without limitation any financial statements or other financial information, in connection with its purchase of the Bonds, except for the representations of the Administration in the Indenture and the Financing Agreement and the opinions of the Administration's counsel and its Bond Counsel delivered in connection with the issuance of the Bonds.

7. The Investors acknowledge that neither the Administration nor the Borrower has prepared or approved any offering document with respect to the Bonds.

8. The Investors have made their own inquiry and analysis with respect to the Bonds and the security therefor and other material factors affecting the security and payment of the Bonds. The Investors are aware that the business of the Borrower involves certain economic variables and risks, including without limitation, bankruptcy risks, that could adversely affect the security for the Bonds.

9. Except for the representations of the Administration in the Indenture and the Financing Agreement and the opinions of the Administration's counsel and its Bond Counsel delivered in connection with the issuance of the Bonds, the Investors hereby expressly waive any right to receive any information from the Administration and hereby irrevocably releases and relieves the Administration, its officers, employees and agents of any liability for failure to provide such information. The Investors understand that the holders of the Bonds have no right to demand payment from the Administration for any sums other than those limited rights described in the Bonds and the Indenture.

10. None of the Administration, its officers, employees or agents or counsel or Bond Counsel will have responsibility to the Investors for the accuracy or completeness of information obtained by the Investors from any source, except for the representations of the Administration in the Indenture and the Financing Agreement and the opinions of the Administration's counsel and its Bond Counsel delivered in connection with the issuance of the Bonds, regarding the Project, the Administration, the Borrower, or their assets, businesses, circumstances, or financial condition, or regarding the Bonds, the provision for payment thereof, or the sufficiency of any security therefor. The Investors have assumed responsibility for obtaining such information and making such review as the Investors have

deemed necessary or desirable in connection with its decision regarding the purchase of the Bonds.

11. The Investors hereby waive the requirement of any “due diligence investigation or inquiry” by the Administration, by its officers, employees and agents and by counsel to the Administration and Bond Counsel in connection with the authorization, execution, delivery of the Bonds and the Investors’ receipt of the Bonds, except in connection with the delivery of legal opinions by the Administration’s counsel or its Bond Counsel.

12. The Investors understand that upon any sale or disposition of the Bonds by the Investors (in whole but not in part), neither the Administration nor Bond Counsel shall be responsible for disclosing any information with regard to such sale or disposition of the Bonds by the Investors. The Investors acknowledge that they have the right to sell and transfer the Bonds, in whole but not in part, in accordance with the terms of the Indenture and as set forth herein.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK –
SIGNATURE PAGE FOLLOWS)

Very truly yours,

VANGUARD ULTRA-SHORT-TERM TAX-EXEMPT FUND,
as Investor,

by The Vanguard Group, Inc., not on its own behalf but in its capacity as
investment advisor to, and on behalf of, the above listed entity,

By: 
DocuSigned by:
30D2DBF42789497
Name: Adam M. Ferguson
Title: Authorized Signatory

VANGUARD LIMITED-TERM TAX-EXEMPT FUND,
as Investor,

by The Vanguard Group, Inc., not on its own behalf but in its capacity as
investment advisor to, and on behalf of, the above listed entity,

By: 
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30D2DBF42789497
Name: Adam M. Ferguson
Title: Authorized Signatory