



**UPDATED NOTICE AND EXPANDED AGENDA**

May 5, 2021

**In order to continue to implement recommended social distancing guidelines, HOC will conduct its meetings via an online platform and teleconference call until further notice.**

YouTube Link: <https://youtu.be/rwhJLsRUxgM>

		Res #
4:00 p.m. 4	<b>I. <u>INFORMATION EXCHANGE</u></b> A. Community Forum B. Report of the Executive Director C. Commissioner Exchange	
4:45 p.m. Page 10 34	<b>II. <u>APPROVAL OF MINUTES</u></b> A. Approval of Minutes of April 7, 2021 B. Approval of Minutes of April 7, 2021 Closed Session C. Approval of Minutes of April 20, 2021 Special Session	
4:50 p.m. Page 40 42	<b>III. <u>CLOSED AND SPECIAL SESSION RATIFICATION</u></b> A. <b>Bradley Boulevard:</b> Approval to Complete the Acquisition of the Bradley Boulevard Portfolio and Approval of the Finance Plan for the Acquisition B. <b>Bradley Boulevard:</b> Approval to Draw up to \$14,000,000 on the PNC Bank, N.A. Real Estate Line of Credit to Acquire Bradley Boulevard Properties	21-42 <sup>AR</sup> (pg 41) 21-42 <sup>BR</sup> (pg 43)
4:55 p.m. Page 47 49	<b>IV. <u>CONSENT</u></b> A. Approval to Unseal Resolution 18-93AS, Resolution 18-94AS <sup>1</sup> , and 18-94AS <sup>2</sup> B. <b>Single Family Mortgage Purchase Program:</b> Approval of New Participating Lenders for the Single Family Mortgage Purchase Program	21-43 (pg 48) 21-44 (pg 55)
5:00 p.m.	<b>V. <u>COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION</u></b>	
Page 58 5:10 p.m. 193	<b>A. Development and Finance Committee – Com. Simon, Chair</b>  1. <b>Single Family Bond Issuance:</b> Approval of Structure, Cost of Issuance Budget, and Adoption of a Series Resolution for 2021 Series A and 2021 Series B Single Family Mortgage Revenue Bonds for the Purpose of Issuing New Deb and Refunding Single Family Mortgage Revenue Bonds  2. <b>Housing Production Fund:</b> Approval of a Master Resolution Providing for the Creation of a Revolving Housing Production Fund to Provide Construction Bridge Financing for Multifamily Housing in Montgomery County; Approval to Enter into a Funding Agreement with Montgomery County Maryland to Provide Funding for the Revolving Housing Production Fund; Approval of the Program Parameters of the Housing Production Fund; and Approval of Structure and Cost of Issuance Budget of, and Adoption of Series Resolution for the Issuance of Limited Obligation Bonds (Revolving Housing Production Fund)	21-45 (pg 71) 21-46 (pg 212)

5:20 p.m. Page 293	3. <b>Sandy Spring Missing Middle:</b> Approval of Third Phase of Predevelopment Funding and Concept Plan Application Preparation for Submittal to Planning Commission	21-47 (pg 307)
5:30 p.m. Page 310	<b>B. Legislative and Regulatory Committee – Com. Kelleher, Chair</b> 1. <b>Project Based Vouchers:</b> Authorization to Issue 100 Project-Based Vouchers in Response to Request for Proposal (RFP) #2232	21-48 (pg 316)
5:40 p.m.	<b><u>ADJOURN</u></b>	
5:45 p.m.	<b><u>DEVELOPMENT CORPORATION MEETINGS</u></b>	
Page 321	<b><u>Paddington Square Development Corporation</u></b> • Approval of Minutes of April 7, 2021 Meeting	
5:50 p.m.	<b><u>ADJOURN</u></b>	

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NOTES:

1. This Agenda is subject to change without notice.
2. Public participation is permitted on Agenda items in the same manner as if the Commission was holding a legislative-type Public Hearing.
3. ***Times are approximate and may vary depending on length of discussion.***
4. \*These items are listed "For Future Action" to give advance notice of coming Agenda topics and not for action at this meeting.
5. Commission briefing materials are available in the Commission offices the Monday prior to a Wednesday meeting.

If you require any aids or services to fully participate in this meeting, please call (240) 627-9425 or email [commissioners@hocmc.org](mailto:commissioners@hocmc.org).

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# Information Exchange

***HOC COVID Testing/Vaccine Efforts***

HOC is continuing its efforts, through various partnerships, to vaccinate our most vulnerable customers, with the intention to provide opportunities for vaccination and COVID-19 testing for all customers. Our continued partnership with Holy Cross Health has allowed us to conduct vaccinations at various senior properties:

<b>HOC Vaccine Clinic Location</b>	<b>Vaccine Clinic Partner</b>	<b>Total Number Inoculated</b>
<b>Arcola Tower</b>	Holy Cross Health	108
<b>Bauer Park</b>	Holy Cross Health	108
<b>Oaks at Four Corners</b>	Holy Cross Health	100
<b>Elizabeth House</b>	Holy Cross Health	104
<b>Forest Oaks</b>	Holy Cross Health	67

Recently, we had the opportunity to work with Montgomery County and the Federal Emergency Management Agency (FEMA) to vaccinate our customers at Paddington Square:

<b>HOC Vaccine Clinic Location</b>	<b>Vaccine Clinic Partner</b>	<b>Total Number Inoculated</b>
<b>Paddington Square</b>	FEMA/County	30

We are continuing our efforts to provide COVID-19 testing to our customers, especially at this moment, where some are hesitant to take the vaccine. Here is a summary of our recent testing efforts:

<b>HOC Testing sites</b>	<b>Testing Partner</b>	<b>Total Number Tested</b>
<b>Georgian Court</b>	NCCF/AAHP	66
<b>East Deer Park</b>	NCCF/AAHP	66
<b>Paddington Square</b>	NCCF/AAHP	72

***Family Self-Sufficiency (FSS) Program Activities***

On April 13, 2021, FSS and the Resident Services (RS) Division conducted a virtual health and wellness workshop, focusing on maintaining a healthy mindset throughout the pandemic. Twenty-one (21) FSS participants attended the workshop, which focused on "Forgiveness." Participants learned about the benefits of forgiveness and its direct impact on mental and physical health.

In partnership with HOC, the Emmanuel Brinklow Seventh Day Adventist Church conducted a virtual Financial Literacy workshop for HOC customers on April 20, 2021. Twenty-four (24) customers/FSS participants attended the session on "Building your Credit." This interactive workshop explored the impact of good and bad credit on everyday life choices, distinguishing between installment versus

revolving loans, understanding individual rights with creditors, and steps to remove negative judgments from credit reports.

***Family Self-Sufficiency (FSS) Program Activities (cont.)***

HOC's supportive services programs and member partners on the Program Coordinating Committee conducted a workgroup on April 19, 2021. The group focused primarily on the challenges of recruiting new program participants and ways to assist each other with our efforts. The Montgomery College Education Opportunity Center recently began testing a new text alert system and will provide feedback at our next workgroup meeting in May.

***Service Coordination Support and Rental Assistance Continue During COVID-19***

**Service Coordination**

This month, the Service Coordination Unit continued to provide services to customers, including assessments, information, and referrals. Resident Counselors continued to engage customers in determining their needs and referred customers to our partners for food and other assistance. Services are being currently offered via telephone and virtual platforms.

In April, Resident Counselors continued to refer customers to Housing Stabilization, unemployment assistance, TCA, SNAP, MEAP, EARP, and other benefit programs. Resident Counselors also provided briefings to customers to provide information on the services that Resident Services offers. Further, Counselors assisted customers in registering for the COVID-19 vaccination.

Highlights for April activities of Up-County Resident Counselors include the continuation of the "Fundamentals of Housing" workshop series, covering the fundamentals of housing, resource sharing, financial literacy and energy savings. Other highlights include assisting customers at Forest Oak Towers and Cider Mill with registering for vaccination clinics; conducting outreach to customers to assess the need for rental assistance; assisting with food distribution; referrals for services/resources; attending/participating in virtual briefings; facilitating afterschool programs for youth; attending tenant association meetings; and providing food assistance to seniors.

Highlights for April activities of Down-County Resident Counselors include assisting customers in registering for vaccinations; continuing to work with customers with rent delinquencies; providing resources for customers to bring down their rent balances and encouraging them to contact Property Management to create repayment agreements; partnering with Up-County Resident Counselors to facilitate the "Fundamentals of Housing" workshop series; attending/participating in briefings, and; assisting with the vaccination clinics.

**Programming**

Resident Services Division continued to provide food resources, and other supports, to customers, in partnership with the Manna Food Center, Emmanuel Brinklow Seventh Day Adventist Church,

Montgomery County Senior Nutrition Lunch Program, and the Capital Area Food Bank's Senior Brown Bag and My Groceries-To-Go programs.

In April, we served approximately 1,000 customers. In addition to our on-going partner food distributions, the Resident Services Division hosted a Snack Pack Distribution. We served 267 youth

Service Coordination (cont.)

(approx. 120 households) this month with our Maryland Emergency Food Program grant award. We hope to finalize contracts from Rainbow Family Development Center and Coastal Sunbelt Produce this month. These organizations will help us to provide groceries and fresh produce to up to 1,000 families.

Resident Services staff continues to host the monthly Arts for the Aging (AFTA) virtual program for our older adults (with four (4) regular participants). At Forest Oak Towers, RS staff is hosting a virtual bingo, with regular attendance.

The RS Division has one ongoing after school virtual youth program, which provides a three-day weekly virtual experience for elementary-aged youth (with twelve (12) regular participants), primarily in the Town Center Place-Olney HUB (TCP). In April, they celebrated Earth Day with various activities, and participants loved their virtual cooking classes.

HOC Academy

HOC Academy Adult Education and Workforce Development (AEWD) and ALSTNTEC, LLC completed its first orientation for the Small Business Strategy Course (SBSC), to be offered in July 2021. This will be the second cohort this fiscal year and the fourth cohort since the Academy began working with ALSTNTEC, LLC. A total of thirty-six (36) customers participated in the orientation.

Three (3) AEWD participants will receive degrees/certifications this Spring, with one (1) participant receiving a bachelor's degree in Psychology from the University of Maryland - Baltimore County. Another participant will be receiving a Pharmacy Tech certificate from Montgomery College. Finally, one (1) participant will be receiving a Phlebotomy Tech certificate from Montgomery College.

HOC Academy is preparing for our middle school summer programs through the *STEAM Forward Academy*. Programs will consist of one week of *Young Science Explorers Camp, with Learning Undeclared*, one week of video engineering, and one week of *Artists and Social Change, with Carpe Diem Arts*.

Our recruitment efforts for HOC's *College Success Program* via *STEAM Forward* are still underway, along with securing the service provider and funding to implement this program. The high school initiatives will kick off this summer. Twenty (20) rising high school juniors and seniors will work with a number of service providers for college and career preparation. HOC Academy will support these students to

ensure they have additional resources and opportunities, like SAT/ACT preparatory courses and financial assistance to take the SAT/ACT test.

### Financial Literacy

The Financial Literacy Coach continued to work with HOC and waitlist customers on creating a financial foundation. During the month of April, seven workshops were held covering topics that included removal of negative and inaccurate information on credit reports, negotiating with creditors, and understanding credit reports and scores. This month, two (2) former workshop participants reported increases in their credit scores from the 600 range, to over 700.

### Supportive Housing

The Supportive Housing Program continued to provide support to program 230 participants. Program staff continued to call customers weekly and deliver gift cards to assist with food and other essentials for those that were in need. Staff are working remotely primarily but do come into the office and visit customers as needed. The team has continued to enroll new customers into the program, house new customers and respond to critical needs for customers as they arise.

### Fatherhood Initiative Program

HOC's Fatherhood Initiative Program (FIP) team is currently in the planning phase of the newly awarded grant. During the month of April, staff continued preparing for the financial and program review. FP staff coordinated with staff from other Divisions to prepare and submit requested information for submission. Additionally, staff prepared for the start-up of program activities in May.

### COVID Rental Assistance Program

Resident Services staff continued to work with staff in the Finance Division to close out the COVID-19 Rental Assistance Program. In April, Resident Services submitted the report and invoicing to get reimbursement for program expenditures.

### ***HOC Maintenance Efforts***

COVID-19 protocols remained in effect during the month of April. Maintenance staff is beginning to increase focus on addressing longstanding routine work orders that were previously not being assigned, due to COVID-19 protocols.

In April 2021, Trades Maintenance Workers completed 1,028 work orders, 83 of which were emergencies. Year to date, they completed 15,083 total work orders, 1,431 of which were emergencies. This month, the emergency work order response times decreased slightly from previous month's averages. Emergency work orders were completed within an average of 30.32 hours. The year-to-date average for completing emergencies is 40.77 hours. In March 2021, High Priority Work Orders and Regular Priority Work Orders were both completed in an average of 20 and 39 days respectively. The year-to-date averages for both of these categories was 17 and 27 days respectively.

In March, the Maintenance Division continued to place major effort to renovate vacant units. This month, thirty-five (35) units were made ready and accepted by Property Management. Many of these units have already been leased. This will be an ongoing effort, as the Maintenance Division and the

*Maintenance (cont.)*

Property Management Division are working hand-in-hand to significantly increase our occupancy throughout our portfolio.

Also, during this month, the Maintenance and Real Estate Divisions continued to inspect newly renovated units at Bauer Park and at Brook Park. At Bauer Park, our customers are moving back to units in phases, as the units are completed and accepted. At Brook Park, customers will return after all unit renovations and site work is complete.

The Maintenance Division is continuing its efforts in transitioning from Winter to Spring. At our high-rise buildings, and properties with central plants, boilers have been turned down, or off, and we are monitoring temperatures as we prepare to activate our cooling systems at these sites. Additionally, gutters cleaning continues; building exteriors are still being power washed; and HVAC systems are being inspected, cleaned and given new filters. We have also been working with our grounds maintenance contractors to ensure that our sites and developments are receiving proper Spring maintenance and care.

**Homeownership Program**

HOC's Single-Family office provides HOC customers with knowledge on how to become a homeowner, in addition to other services. On Saturday, April 24, 2021, the HOC Homeownership Program (HOC/HOP) hosted its third virtual Homeownership Workshop for HOC customers, with TowneBank Mortgage. Topics included credit review, budgeting and management of finances, the mortgage application process, obtaining financing, and the role of a realtor. An overview of the various mortgages offered by HOC's Mortgage Purchase Program (MPP) and the program's secondary loans for closing cost assistance were also provided.

A total of 45 HOC customers, representing 40 families, participated in the workshop. Upon completion of the workshop, each participant received a Certificate of Achievement, which can be used to satisfy the Homebuyers Education course requirement for the HOC Mortgage Program.

All HOC/HOP virtual workshops have been very well received by HOC customers, which has made for a very active and engaged audience. Those customers who are income and credit qualified will work with staff, who will assist them in the future purchase of available MPDUs. The Single-Family Office plans to offer bi-monthly virtual workshops during the pandemic.



# Minutes

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY**

10400 Detrick Avenue  
Kensington, Maryland 20895  
(240) 627-9425

**Minutes**

April 7, 2021

21-04

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted via an online platform and teleconference on Wednesday, April 7, 2021, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:05 p.m. Those in attendance were:

**Present**

Roy Priest, Chair  
Frances Kelleher, Vice Chair  
Richard Y. Nelson, Jr., Chair Pro Tem  
Linda Croom  
Jeffrey Merkwowitz  
Jackie Simon

**Absent**

Pamela Byrd

**Also Attending**

Stacy L. Spann, Executive Director  
Aisha Memon, General Counsel  
Zachary Marks  
Charnita Jackson  
Christina Autin  
Jay Berkowitz  
Victoria Dixon  
Terri Fowler  
Jennifer Arrington  
Nathan Bovelie  
Ian Hawkins

Kayrine Brown, Deputy Executive Director  
Cornelia Kent  
Fred Swan  
Olutomi Adebo  
Renee Harris  
Darcel Cox  
Nicolas Deandreis  
Emma Fiorentino  
Marcus Ervin  
Kathryn Hollister  
Claire Kim

**Commission Support**

Patrice Birdsong, Spec. Asst. to the Commission

Chair Priest opened the meeting welcoming all to the monthly meeting. There was a roll call of Commissioners participating.

I. **Information Exchange**

**Community Forum**

- Molly Hauck – Addressed the Board regarding a request for public information and having to pay a fee. Chair Priest and Executive Director Spann explained that the request has to comply with specific standards in order to waive fees. General Counsel explained that the ability to charge a fee is in the Public Information Act.
- Marsha Coleman-Adebayo – Continued to address the Board regarding HOC conveying a portion of Westwood Towers to Macedonia Church. Chair Priest thank Dr. Coleman-Adebayo for her comments and informed that he is in the process of working on a resolution to this matter.
- Karen Lundregan – Continued to address the Board regarding unfair treatment from staff, discrimination, and retaliation. Chair Priest thank her for her comments and explained that personnel matters could not be discussed in the present forum but he would work on coordinating a meeting to discuss concerns.

**Executive Director's Report**

- Executive Director Spann highlighted a collaboration with County partners and the private sector around COVID-19 vaccination and testing. Commissioners expressed their gratitude to Executive Director Spann and Team. Mr. Spann addressed questions of the Commissioners.

**Commissioner Exchange**

Chair Priest acknowledged and summarized an opinion received from the State of Maryland Open Meetings Compliance Board regarding a complaint that was filed in January 2021 alleging that HOC failed to comply with the Open Meetings Act when meeting in closed session in 2019 and 2020. On March 22, 2021, the Board issued an opinion finding that HOC periodically violated Sections 3-305(d)(2) of the Act when its written closing statements failed to provide sufficient detail. More specifically, HOC's written closing statements should have provided more information in the following circumstances:

- When meeting in closed session pursuant to Section 3-305(b)(3), the written closing statements should have included a general description about the nature or nonspecific location of the property, or the type of acquisition being explored;
- When meeting in closed session pursuant to Section 3-305(b)(13), the written closing statements should have cited the specific statute that permitted the closed session and should have provided a description of the nature or type of information that was deemed confidential; and
- When meeting in closed session on June 5, 2019 under Section 3-305(b)(9), the written closing statement should have also identified that non-union employees as a topic of discussion.

Chair Priest also acknowledged that the Compliance Board also found that HOC did not violate the Act for any of the other numerous allegations in the complaint. More specifically, the Board found the following:

- HOC's agendas did not violate the Act;

- HOC’s closed session summaries and minutes did not violate the Act;
- HOC’s processes surrounding voting to close a meeting, availability of the written closing statement, and the ability for the public to object to a closed meeting did not violate the Act; and
- HOC did not automatically violate the Act each time it discussed a contract, a budget amendment, or confidential commercial or financial information in closed session.

Chair Priest noted that the Compliance Board commended HOC’s commitment to continuous improvement. HOC thanks the Board for the time and effort it has spent over the last several months and reaffirmed its commitment to monitor and improve its processes.

- II. **Approval of Minutes** - The minutes were approved as submitted with a motion by Commissioner Croom and seconded by Commissioner Simon. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Croom, Merkowitz, and Simon. Commissioner Byrd was necessarily absent and did not participate in the vote.
- A. **Approval of Minutes of March 3, 2021**
  - B. **Approval of Minutes of March 3, 2021 Closed Session**
  - C. **Approval of Minutes of March 26, 2021 Special Session**

III. **CLOSED AND SPECIAL SESSION RATIFICATION**

- A. **Amendment to the Series Indenture for the Multifamily Housing Development Bonds 2021 Series A to Clarify Certain Provisions of the Indenture**

The following resolution was adopted upon a motion by Chair Pro Tem Nelson and seconded by Vice Chair Kelleher. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Croom, Merkowitz, and Simon. Commissioner Byrd was necessarily absent and did not participate in the vote.

**RESOLUTION NO.: 21-35R**

**RE: Amendment to the Series Indenture for the Multifamily Housing Development Bonds 2021 Series A to Clarify Certain Provisions of the Indenture**

**WHEREAS**, on December 9, 2020, the Housing Opportunities Commission of Montgomery County (the “Commission”) adopted Resolution 20-87B, which authorized the issuance of 2021 Series A Multifamily Housing Development Bonds (the “2021 A Bonds”) in the 1996 Bond Resolution (the “1996 Indenture”) in the amount of \$99.25 million for the purpose of refunding the PNC Bank, N.A. tax-exempt loan in order to use the recycled proceeds to finance the acquisition and development of Westside Shady Grove Apartments;

**WHEREAS**, closing on the 2021 A Bonds occurred on January 28, 2021;

**WHEREAS**, the 2021 A Series Indenture (the “Series Indenture”) provides that the 2021 A Bonds shall be secured solely by the proceeds thereof or funds on deposit in the funds and accounts created under the Series Indenture and not by any other moneys, funds or accounts held under the 1996 Indenture;

**WHEREAS**, at the request of U.S. Bank National Association, the Trustee of the Series Indenture and the 1996 Indenture, to cure any ambiguity in the Series Indenture, staff, along with the Commission’s bond counsel and financial advisor, recommends clarifying in the Series Indenture the manner in which bond interest is calculated and notice of mandatory redemption is given to bondholders;

**WHEREAS**, at an open Special Session duly called and held on March 26, 2021, with a quorum participating, the Commission duly adopted Resolution 21-35, with Commissioners Kelleher, Nelson, Merkowitz, and Simon voting in approval, and Commissioners Priest, Byrd, and Croom being necessarily absent and not participating in the vote;

**WHEREAS**, by adopting Resolution 21-35, the Commission approved the following actions:

1. Amending Section 2.05(b), Section 2.08(g), and Exhibit A of the Series Indenture to clarify the manner in which bond interest is calculated and notice of mandatory redemption is given to bondholders, and said amendment, "First Amendment to Series Indenture Providing for the Issuance and Sale of \$99,250,000 Principal Amount of Multifamily Housing Development Bonds (FHA Risk Sharing Insured Pass Through) 2021 Series A of the Housing Opportunities Commission of Montgomery County" was attached to Resolution 21-35 for reference (the "Amendment");
2. The Chairman, the Vice Chairman, or the Chairman Pro Tem, and the Executive Director of the Commission or any authorized designee of the Executive Director were authorized and directed to execute and deliver the Amendment with such changes as shall be approved by such officers, the execution of such Amendment being conclusive evidence of such approval and of the approval of the Commission, and the Secretary-Treasurer of the Commission, or any other authorized officer of the Commission (an "Authorized Officer"), was authorized and directed to affix the seal of the Commission to the Amendment and to attest the same; and
3. The Executive Director, or a duly appointed designee of the Executive Director, was authorized, without any further action on the Commission's part, to execute such other documents, and to take any and all other actions, in each case as necessary and proper, in the Executive Director's judgment, to carry out the actions contemplated herein.

**WHEREAS**, consistent with the Commission's Second Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in a regular open meeting with a quorum participating, the action undertaken by the Commissioners in adopting Resolution 21-35 and any actions taken since March 26, 2021 to effectuate the actions contemplated therein.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that Resolution 21-35 and any subsequent actions taken in relation thereto are hereby ratified and affirmed.

#### IV. **CONSENT**

##### A. **Approval to Unseal Resolution 19-13AS<sup>1</sup> and Resolution 19-13AS<sup>2</sup>**

The following resolution was adopted upon a motion by Chair Pro Tem Nelson and seconded by Commissioner Simon. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Croom, Merkowitz, and Simon. Commissioner Byrd was necessarily absent and did not participate in the vote.

**RESOLUTION NO.: 21-36**

**Re: Approval to Unseal Resolution 19-13AS<sup>1</sup> and Resolution 19-13AS<sup>2</sup>**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (the "Commission" or "HOC") is a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, and is subject to the Public Information Act ("PIA") and Open Meetings Act ("OMA");

**WHEREAS**, on February 17, 2021, HOC received a PIA request to make publicly available copies of Resolution 19-13AS<sup>1</sup> and Resolution 19-13AS<sup>2</sup> (together, the “Resolutions”), which are a part of HOC’s closed session minutes for a closed meeting held on January 9, 2019;

**WHEREAS**, the PIA requires the denial of a request for a public record if (1) by law, the public record is privileged or confidential, or (2) the inspection of the public record would be contrary to state statute;

**WHEREAS**, the OMA provides that the minutes of a closed session shall be sealed and may not be open to the public unless, upon a request by the public, a majority of the members of a public body vote in favor of unsealing the minutes;

**WHEREAS**, on March 1, 2021, HOC received a request that the Commission consider unsealing the Resolutions; and

**WHEREAS**, staff reviewed the Resolutions and recommends to the Commission that they be unsealed with redactions to maintain the confidentiality of certain financial information provided by a financial partner.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that Resolutions 19-13AS<sup>1</sup> and 19-13AS<sup>2</sup>, as redacted, be unsealed.

V. **COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION**

A. **Development and Finance Committee – Com. Simon, Chair**

1. **Willow Manor Properties:** Approval of General Contractor and Approval of Preliminary Development Plan for the Willow Manor Properties

Kayrine Brown, Deputy Executive Director, and Kathryn Hollister, Senior Financial Analyst, were the presenters.

The following resolution was adopted upon a motion by Commissioner Simon and seconded by Chair Pro Tem Nelson. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Croom, Merkowitz, and Simon. Commissioner Byrd was necessarily absent and did not participate in the vote

Chair Pro Tem Nelson wanted to note for the record that he does not generally support 100% all low-income projects, but does so here solely because of the financing requirements of this LIHTC transaction. Chair Priest commented on the continued effort of procuring minority businesses for its projects.

**RESOLUTION NO.: 21-38**

**RE: Approval of Preliminary Development Plan for the Willow Manor Properties, Including Selection of a General Contractor**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”) is the sole member of three individual single-purpose entities: The Manor at Cloppers Mill, LLC, The Manor at Fair Hill Farm, LLC, and The Manor at Colesville, LLC (collectively the “Willow Manor Single-Purpose Entities”), which own Willow Manor at Clopper’s Mill, Willow Manor at Fair Hill Farm, and Willow Manor at Colesville, respectively; and

**WHEREAS**, Willow Manor at Clopper's Mill consists of 102 age-restricted Low Income Housing Tax Credit ("LIHTC") and market-rate apartments in Germantown, MD ("Clopper's Mill"), Willow Manor at Fair Hill Farm consists of 101 age-restricted LIHTC apartments in Olney, MD ("Fair Hill Farm"), and Willow Manor at Colesville consists of 83 age-restricted LIHTC apartments in Silver Spring, MD ("Colesville") (collectively, the "Willow Manor Properties" or "Properties"); and

**WHEREAS**, on April 1, 2020 the Commission approved pursuing a LIHTC resyndication of the Properties as a single scattered site transaction; and

**WHEREAS**, on December 23, 2020, the Commission issued Request for Proposal No. 2236, General Contracting Services for the Renovation of the Willow Manor Properties ("RFP"), to implement renovations as part of the LIHTC resyndication; and

**WHEREAS**, the Commission received proposals from Nastos Construction, Inc., Kane Construction, Inc. and Hooten Construction, LLC. prior to the RFP deadline; and

**WHEREAS**, Nastos Construction, Inc. offered the lowest bid of \$10,808,765 and its proposal scored the highest among those received; and

**WHEREAS**, the Commission desires to select Nastos Construction, Inc. as the General Contractor for the Properties and authorize the Executive Director to negotiate a contract with Nastos Construction, Inc.; and

**WHEREAS**, the Commission desires to hold up to a 7% vacancy (a total of 20 units) across the Properties from April 2021 until completion of construction in approximately May 2023 in order to facilitate renovation phasing; and

**WHEREAS**, the Commission desires, as part of the LIHTC resyndication, to approve the public purpose at the Properties and restrict the market-rate units at Clopper's Mill to households earning 80% or less of the Washington Metropolitan Statistical Area Median Income ("AMI") so that all units meet the average income test, which would allow the transaction to generate additional equity proceeds, and so that the transaction meets scattered site LIHTC transaction requirements; and

**WHEREAS**, the Commission currently intends and reasonably expects to participate in tax-exempt borrowings to refinance the acquisition cost, finance certain property improvements, and fund reserves for the Willow Manor Properties in an amount not to exceed \$100,000,000, all or a portion of which may reimburse the Commission for the portion of such expenditures incurred or to be incurred subsequent to the date which is 60 days prior to the date hereof but before such borrowing, and the proceeds of such tax-exempt borrowing will be allocated to reimburse the Commission's expenditures within 18 months of the later of the date of such expenditures or the date that the Willow Manor Properties are placed in service as part of the LIHTC resyndication (but in no event more than 3 years after the date of the original expenditure of such moneys); and

**WHEREAS**, the Commission hereby desires to declare its official intent, pursuant to Treasury Regulation §1.150-2, to reimburse the Commission for such expenditures with the proceeds of the Commission's future tax-exempt borrowing for such projects named in this Resolution.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Commission authorizes the selection of Nastos Construction, Inc. as the General Contractor for the Willow Manor Properties and authorizes the Executive Director to negotiate a contract with Nastos Construction, Inc.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County, acting on behalf of itself and on behalf of the Willow Manor Single-Purpose Entities, as their sole member, that it approves holding up to a 7% vacancy (a total of 20 units) across the Properties from April 2021 until completion of construction in approximately May 2023 in order to facilitate renovation phasing.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County acting on behalf of itself and on behalf of the Willow Manor Single-Purpose Entities, as their sole member, that it approves the public purpose at the Properties and restricting the market-rate units at Willow Manor at Clopper's Mill to households earning 80% or less of the AMI so that 100% of the units meet the average income test and scattered site LIHTC requirements.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that it presently intends and reasonably expects to participate in tax-exempt borrowings of which proceeds, in an amount not to exceed \$100,000,000, will be applied to reimburse the Commission for its expenditures in connection with the Willow Manor Properties.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that it presently intends and reasonably expects to refinance the acquisition cost, finance certain property improvements, and fund reserves for the Willow Manor Properties from the proceeds of a tax-exempt bond issuance and that all of the acquisition and financing expenditures covered by this Resolution which may be reimbursed with proceeds of tax-exempt borrowings were made not earlier than 60 days prior to the date of this Resolution, except preliminary expenditures related to the project as defined in Treasury Regulation Section 1.150-2(f)(2) (e.g. architect's fees, engineering fees, costs of soil testing and surveying).

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that all prior acts and doings of the officials, agents and employees of the Commission which are in conformity with the purpose and intent of this Resolution, and in furtherance of the permanent financing of the Willow Manor Properties, shall be and hereby are in all respects ratified, approved and confirmed.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission Montgomery County, on behalf of itself and on behalf of the Willow Manor Single-Purpose Entities, as their sole member, authorizes the Executive Director of HOC, or his designee, without any further action on their respective parts, to take any and all other actions necessary and proper to carry out the transaction and actions contemplated herein, including the execution of any documents related thereto.

- 2. Procurement – Financial Advisor Contract:** Renewal with Caine Mitter and Associated Incorporate (“CMA”) in Accordance with the Current Contract, Prior Approvals and the Procurement Policy

Kayrine Brown, Deputy Executive Director, was the presenter.



The following resolution was adopted upon a motion by Chair Pro Tem Nelson and seconded by Commissioner Simon. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Croom, Merkowitz, and Simon. Commissioner Byrd was necessarily absent and did not participate in the vote.

**RESOLUTION NO.: 21-39**

**Re: Approval to Renew the Financial Advisor Contract with Caine Mitter and Associates Incorporated in Accordance with the Current Contract, Prior Approvals and the Procurement Policy**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (the “Commission” or “HOC”) is a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, and is authorized thereby and by the Memorandum of Understanding dated June 20, 2018 by and between HOC and Montgomery County, Maryland to issue its notes and bonds from time to time to fulfill its corporate purposes; and

**WHEREAS**, to advance its mission and operate a successful bond financing program, the Commission engages the services of a number of industry professionals, one of which is a financial advisor; and

**WHEREAS**, Caine Mitter & Associates Incorporated (“CMA”) has successfully served the Commission since 1979 and was selected on June 7, 2017, to continue to serve the Commission as its financial advisor for a new contract term, initially for two years with three optional one year renewals for a maximum term of five years, with each renewal requiring the approval of the Commission; and

**WHEREAS**, CMA continues to provide effective financial advisory services to the Commission and the Commission wishes to approve the final renewal of the contract for one year in accordance with the current contract and Procurement Policy.

**NOW THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that it approves the renewal of current contract with Caine Mitter & Associates Incorporated to continue to serve the Commission as Financial Advisor for one-year in accordance with terms provided in the current contract in accordance with the Procurement Policy.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County hereby authorizes and directs the Executive Director, or his designee, without further action on its part, to take any and all other actions necessary and proper to carry out the transactions contemplated herein.

**B. Legislative and Regulatory Committee – Com. Kelleher, Chair**

**1. Public Housing Agency Plan:** Authorization to Submit HOC’s Fiscal Year 2022 Annual Public Housing Agency Plan

Elliott Rule, Management and Compliance Analyst, was the presenter.

The following resolution was adopted upon a motion by Vice Chair Kelleher and seconded by Commissioner Croom. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Croom, Merkowitz, and Simon. Commissioner Byrd was necessarily absent and did not participate in the vote.

**RESOLUTION NO.: 21-40**

**RE: Authorization to Submit HOC's Fiscal Year 2022  
Annual Public Housing Agency Plan**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County ("HOC") seeks to implement the mandatory Annual PHA Plan requirements of the Quality Housing and Work Responsibility Act of 1998 (QHWRA); and

**WHEREAS**, the submission of the FY 2022 Annual PHA Plan was prepared in accordance with 24 CFR Part 903 regulations and requirements for submission to the U.S. Department of Housing and Urban Development ("HUD"); and

**WHEREAS**, HOC worked in collaboration with the Resident Advisory Board to obtain recommendations in the development of the proposed Annual PHA Plan Submission; and

**WHEREAS**, HOC obtained certification from local government officials that the proposed Annual PHA Plan Submission is consistent with the jurisdiction's Consolidated Plan; and

**WHEREAS**, HOC conducted a Public Hearing on April 7, 2021 to obtain public comments regarding the proposed Annual PHA Plan Submission; and

**WHEREAS**, HOC has considered all comments and recommendations received and has incorporated all relevant changes in the proposed Annual PHA Plan Submission.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that it approves the FY 2022 Annual PHA Plan and its submission to HUD no later than April 17, 2021, as required by federal regulation.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Executive Director, or his designee, is authorized and directed, without further action on its part, to take any and all other actions necessary and proper to carry out the activities contemplated herein.

**2. Administrative Plan: Authorization to Process Requests for Tenancy Approvals (RFTA) and Lead Based Paint Unit Requirements**

Renee Harris, Program Coordinator, was the presenter.

The following resolution was adopted upon a motion by Vice Chair Kelleher and seconded by Commissioner Croom. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Croom, Merkowitz, and Simon. Commissioner Byrd was necessarily absent and did not participate in the vote.

**RESOLUTION NO.: 21-41**

**RE: Revisions to HOC's Administrative Plan for the  
Housing Choice Voucher Program to include the  
Lead Based Paint Plan of Action**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County ("Commission") desires to revise its Administrative Plan for the Housing Choice Voucher Program (the "Plan") to include

the Lead Based Paint Plan of Action in Chapter 8 of the Plan (the “Revisions”), as identified in the revised Chapter 8 attached hereto as Exhibit A; and

**WHEREAS**, a public comment period for the Revisions began on March 5, 2021 and concluded on April 7, 2021 with a public hearing.

**NOW, THEREFORE, BE IT RESOLVED** that the Housing Opportunities Commission of Montgomery County adopts the Revisions, as identified in the revised Plan attached hereto as Exhibit A.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Executive Director, or his designee, is hereby authorized and directed, without any further action on its part, to take any and all other actions necessary and proper to carry out the actions contemplated herein.

#### VI. ITEMS REQUIRING DELIBERATION and/or ACTION

##### 1. **Recommended Budget:** Presentation of the Executive Director’s FY’22 Recommended Budget

Cornelia Kent, Chief Financial Officer, and Terri Fowler, Budget Officer, were the presenters. Ms. Kent reported that the FY’22 Budget will be discussed in detail with the Budget, Finance and Audit Committee over the next several months. During those meetings discussions of all updates will occur prior to the adopted budget presentation in June 2021. Ms. Fowler provided highlights of the FY’22 Recommended Budget. No formal action required.

A motion to recess was made by Chair Pro Tem Nelson and seconded by Vice Chair Kelleher at 5:37 p.m. to convene the Development Corporation meetings. The meeting reopened at 5:50 p.m. to adjourn the open session of the Housing Opportunities Commission.

Chair Priest read the Written Closing Statement and made a motion to adopt the statement and close the meeting. The motion was seconded by Commissioner Simon and Commissioners Croom, Kelleher, Nelson, Byrd, Merkwowitz, and Simon voted unanimously in approval.

Based upon this report and there being no further business to come before this session of the Commission, the Commission adjourned the open session at 5:50 p.m. and reconvened in closed session at approximately 6:07 p.m.

In compliance with Section 3-306(c)(2), General Provisions Article, Maryland Code, the following is a report of the Housing Opportunities Commission of Montgomery County’s closed session held on April 7, 2021 at approximately 6:07 p.m. via an online platform and teleconference, with moderator functions occurring at 10400 Detrick Avenue, Kensington, MD 20895. The meeting was closed under the authority of Sections 3-305(b)(3) and 3-305(b)(13) to discuss: (1) the purchase of improved real property (including existing multifamily buildings and land) located in Chevy Chase, Maryland (pursuant to Section 3-305(b)(3)); and (2) the confidential commercial and financial terms of financing the acquisition of the property located in Chevy Chase, Maryland (pursuant to Section 3-305(b)(13)).

The meeting was closed and the closing statement dated April 7, 2021 was adopted on a motion made by Chair Pro Tem Nelson, seconded by Commissioner Croom, with Commissioners Priest, Kelleher,

Nelson, Croom, Merkowitz, and Simon unanimously voting in approval. Commissioner Byrd was necessarily absent and did not participate in the vote. The following persons were present during the closed session: Roy Priest, Frances Kelleher, Richard Y. Nelson, Jr., Linda Croom, Jeffrey Merkowitz, Jackie Simon, Stacy Spann, Kayrine Brown, Aisha Memon, Zachary Marks, Cornelia Kent, Gio Kaviladze, Gail Willison, Claire Kim, Marcus Ervin and Patrice Birdsong.

In closed session, the Commission discussed the below topics and took the following actions:

1. **Topic:** The acquisition of real property located in Chevy Chase, Maryland (pursuant to Section 3-305(b)(3)), and the confidential commercial and financial terms provided by private financial institutions regarding how to finance the acquisition of the property (pursuant to Section 3-305(b)(13)).
  - a. **Action Taken:** No formal action was taken (i.e., there was no resolution presented and no vote was conducted). Staff stated that they intended to request a future open Special Session to ask for formal Commission action.

The closed session was adjourned at 6:53 p.m.

Respectfully submitted,

Stacy L. Spann  
Secretary-Treasurer

/pmb

**Attachments:**

1 – Exhibit A: Revised Administrative Plan/Housing Choice Voucher Program Lead Paint Plan Chapter 8

**EXHIBIT A**

**Revised Administrative Plan for the Housing Choice Voucher Program**

*[attached]*

## Chapter 8

### VOUCHER ISSUANCE AND BRIEFINGS

[24 CFR 982.301, 982.302]

#### **INTRODUCTION**

The PHA's goals and objectives are designed to assure that families selected to participate are equipped with the tools necessary to locate an acceptable housing unit. Families are provided sufficient knowledge and information regarding the program and how to achieve maximum benefit while complying with program requirements. When eligibility has been determined, the PHA will conduct a mandatory briefing to ensure that families know how the program works. The briefing will provide a broad description of owner and family responsibilities, PHA procedures, and how to lease a unit. The family will also receive a briefing packet that provides more detailed information about the program including the benefits of moving outside areas of poverty and minority concentration. This Chapter describes how briefings will be conducted, the information that will be provided to families, and the policies for how changes in the family composition will be handled.

#### A. **ISSUANCE OF VOUCHERS** [24 CFR 982.204(d), 982.54(d)(2)]

When funding is available, the PHA will issue Vouchers to applicants whose eligibility has been determined. The number of Vouchers issued must ensure that the PHA stays as close as possible to 100 percent lease-up. The PHA performs a monthly calculation electronically to determine whether applications can be processed, the number of Vouchers that can be issued, and to what extent the PHA can over-issue (issue more Vouchers than the budget allows to achieve lease-up).

The PHA may over-issue Vouchers only to the extent necessary to meet leasing goals. All Vouchers that are over-issued must be honored. If the PHA finds it is over-leased, it must adjust future issuance of Vouchers in order not to exceed the ACC budget limitations over the fiscal year.

**B. BRIEFING TYPES AND REQUIRED ATTENDANCE [24 CFR 982.301]**

**Initial Applicant Briefing**

A full HUD-required briefing will be conducted for applicant families who are determined to be eligible for assistance. The briefings will be conducted in groups. Families who attend group briefings and still have the need for individual assistance will be referred to their Rental Assistance Specialist. HOC may conduct the briefing by other means, such as a webcast, video call, or expanded information packet. These alternative methods expire on June 30, 2021 in accordance with the waiver flexibility authorized in PIH Notice 2020-33.

Briefings will be conducted in English.

The purpose of the briefing is to explain how the program works and the documents in the Voucher holder's packet to families so that they are fully informed about the program. This will enable them to utilize the program to their advantage, and it will prepare them to discuss it with potential owners and property managers.

The PHA will not issue a Voucher to a family unless the household representative has attended a briefing and signed the Voucher. Applicants who provide prior notice of inability to attend a briefing will automatically be scheduled for the next briefing. Applicants who fail to attend 2 scheduled briefings, without prior notification and approval of the PHA, may be denied admission based on failure to supply information needed for certification. The PHA will conduct individual briefings for families with disabilities at their home, upon request by the family, if required for reasonable accommodation.

**Briefing Packet** [24 CFR 982.301(b)]

The documents and information provided in the briefing packet for the voucher program will comply with all HUD requirements. The PHA also includes other information and/or materials that are not required by HUD. This information will be provided at the applicant's Initial and the participant's Move Briefing.

The family is provided with the following information and materials

The term of the voucher, and the PHA policy for requesting extensions or suspensions of the voucher (referred to as tolling).

A description of the method used to calculate the housing assistance payment for a family, including how the PHA determines the payment standard for a family; how the PHA determines total tenant payment for a family and information on the payment standard and utility allowance schedule. How the PHA determines the maximum allowable rent for an assisted unit.

For a family that qualifies to lease a unit outside the PHA jurisdiction under portability procedures, the information must include an explanation of how portability works.

The HUD required tenancy addendum, which must be included in the lease.

The Request for Approval of Tenancy form, and a description of the procedure for requesting approval for a unit.

A statement of the PHA policy on providing information about families to prospective owners.

The PHA Subsidy Standards including when and how exceptions are made and how the voucher size relates to the unit size selected.

The HUD brochure on how to select a unit and/or the HUD brochure "A Good Place to Live" on how to select a unit that complies with HQS.

The HUD brochure on lead-based paint and information about where blood level testing is available.



Information on Federal, State and local equal opportunity laws and a copy of the housing discrimination complaint form. The PHA will also include the pamphlet "Fair Housing: It's Your Right" and other information about fair housing laws and guidelines, and the telephone numbers of the local fair housing agency and the HUD enforcement office.

A list of units available for the Section 8 program which is updated monthly and compiled by bedroom size.

If the family includes a person with disabilities, notice that the PHA will provide assistance in locating accessible units.

The Family Obligations under the program.

The grounds on which the PHA may terminate assistance for a participant family because of family action or failure to act.

PHA informal hearing procedures including when the PHA is required to offer a participant family the opportunity for an informal hearing, and how to request the hearing.

Information packet including an explanation of how portability works, including a list of neighboring housing agencies with the name, address and telephone number of a portability contact person at each for use by families who move under portability. (required for PHAs in MSAs)

A family participating in the project-based voucher program will be offered available tenant-based assistance either under the voucher program or under another comparable form of tenant-based assistance as defined by HUD

Information regarding the PHA's outreach program that assists families who are interested in, or experiencing difficulty in obtaining available housing units in areas outside of minority concentrated locations.

The HQS checklist.

Procedures for notifying the PHA and/or HUD of program abuses such as side payments, extra charges, violations of tenant rights, and owner failure to repair.

The family's rights as a tenant and a program participant.

Requirements for reporting changes between annual recertifications.

Information on security deposits and legal referral services. Exercising choice in residency

Choosing a unit carefully and only after due consideration.

The Family Self-Sufficiency program and its advantages.

If the family includes a person with disabilities, the PHA will ensure compliance with CFR 8.6 to ensure effective communication.

### **Lead Base Paint**

The RFTA requests owners/agents to provide basic information about the rental unit selected by a voucher family, including but not limited to the unit address, number of bedrooms, structure type, proposed rent, utility responsibilities, if the unit is subsidized, and the year the unit was constructed. For units constructed prior to January 1, 1978, owners/agents must either (1) certify that the unit, common areas, and exterior are free of lead-based paint conducted by a certified inspector, and/or (2) attach a lead-based paint disclosure statement.

### **Move Briefing**

A full HUD-required move briefing will be held for participants who will be reissued a Voucher to move, and who have been recertified within the last 120 days, and have given notice of intent to vacate to their landlord. This briefing includes incoming and outgoing portable families. The briefings will be conducted in groups. Families who attend group briefings and still have the need for individual assistance will be referred to their Rental Assistance Specialist.

### **Owner Briefing**

Briefing may be held for owners periodically. The purpose of the briefing is to assure successful owner participation in the program. Information provided will include the responsibilities and obligations of the three parties.

C. **ENCOURAGING PARTICIPATION IN AREAS WITHOUT LOW INCOME OR MINORITY CONCENTRATION (Regional Opportunity Counseling (ROC) Grant)**

At the briefing, families are encouraged to search for housing in non-impacted areas and the PHA will provide assistance to families who wish to do so.

The PHA has areas of poverty and minority concentration clearly delineated in order to provide families with information and encouragement in seeking housing opportunities outside highly concentrated areas.

The PHA provides information about facilities and services in neighboring areas such as schools, transportation, and supportive and social services.

The PHA will investigate and analyze when voucher holders are experiencing difficulties locating or obtaining housing units outside areas of concentration.

The assistance provided to such families includes:

- Providing families with a search record form to gather and record info.
- Direct contact with landlords.
- Counseling with the family.
- Providing information about services in various non-impacted areas.
- Meeting with neighborhood groups to promote understanding.
- Formal or informal discussions with landlord groups.
- Formal or informal discussions with social service agencies.
- Meeting with rental referral companies or agencies.
- Will meet with fair housing groups or agencies as needed or upon request.

**D. ASSISTANCE TO FAMILIES WHO CLAIM DISCRIMINATION** The PHA will give participants a copy of HUD form 903 to file a complaint.

**E. SECURITY DEPOSIT REQUIREMENTS** [24 CFR 982.313] **Leases**

**Effective Prior to October 2, 1995**

The amount of Security Deposit that could have been collected by owners under contracts effective prior to October 2, 1995 is:

Under the pre-merger Certificate Program, the owner could have collected a Security Deposit in an amount not to exceed Total Tenant Payment or \$50.00, whichever is greater, for non-lease-in-place families.

For the pre-merger Voucher Program, the owner, at his/her discretion, could have collected a Security Deposit in an amount not to exceed (PHA policy):

The greater of 30% of adjusted monthly income or \$50 for non-lease-in-place families.

The amount charged to unassisted tenants may not exceed the maximum allowed under state or local law.

The greater of 30% of adjusted monthly income or

[amount]. **Leases Effective on or after October 2, 1995**

The owner is not required to, but may collect a security deposit up to the maximum allowed by State and local law.

Security deposits charged to families may be any amount the owner wishes to charge, subject to the following conditions:

Security deposits charged by owners may not exceed those charged to unassisted tenants nor the maximum prescribed by State or local law.

For lease-in-place families, responsibility for first and last month's rent is not considered a security deposit issue. In these cases, the owner should settle the issue with the tenant prior to the beginning of assistance.

**F. TERM OF VOUCHER** [24 CFR 982.303, 982.54(d)(11)]

During the briefing session, each household will be issued a voucher which represents a contractual agreement between the PHA and the Family specifying the rights and responsibilities of each party. It does not constitute admission to the program which occurs when the lease and contract become effective.

**Expirations**

The Voucher is valid for a period of at least ninety (90) calendar days from the date of issuance. The family must submit a Request for Tenancy Approval and Lease within the ninety-day period unless an extension has been granted by the PHA.

If the Voucher has expired, and has not been extended by the PHA or expires after an extension, the family will be denied assistance. The family will not be entitled to a review or hearing. If the family is currently assisted, they may remain as a participant in their unit if there is an assisted lease/contract in effect.

**Suspensions**

When a Request for Approval of Tenancy is received, the PHA will deduct the number of days required to process the request from the 90 day term of the voucher.

## **Extensions**

The PHA will extend the term up to 150 days from the beginning of the initial term if the family needs and request an extension as a reasonable accommodation to make the program accessible to and usable by a family member with a disability. If as a reasonable accommodation, the family needs an extension in excess of 150 days, they must request the same in writing, prior to the expiration date of the voucher. The PHA may grant such a request.

A family may request an extension of the voucher time period. All requests for extensions must be received, in writing, prior to the expiration date of the voucher.

Extensions are permissible at the discretion of the PHA up to a maximum of an additional 60 days primarily for these reasons:

- Extenuating circumstances such as hospitalization or a family emergency for an extended period of time which has affected the family's ability to find a unit within the initial 90 day period. Verification is required.
- The PHA is satisfied that the family has made a reasonable effort to locate a unit, including seeking the assistance of the PHA, throughout the initial 90 day period. A completed search record **is** required.
- The family was prevented from finding a unit due to disability accessibility requirements or bedroom unit requirement. The Search Record is part of the required verification.

The PHA extends in one or more increments. Unless approved by the Director or the Assistant Director of Rental Assistance, extensions will not exceed more than a total of an additional sixty days to the initial term of the voucher. HOC may grant extensions for other non-listed reasons through June 30, 2021. This temporary policy is in accordance with waiver flexibility authorized in PIH Notice 2020-33.

## **Assistance to Voucher Holders**

Families who require additional assistance during their search may call the PHA Office to request assistance. Voucher holders will be notified at their briefing session that the PHA periodically updates the listing of available units and how the updated list may be obtained.

The PHA will assist families with negotiations with owners and provide other assistance related to the families' search for housing.

After the first 30 days of the search the family is required to maintain a search record.

**G. VOUCHER ISSUANCE DETERMINATION FOR SPLIT HOUSEHOLDS**

24 CFR 982.315]

In those instances when a family assisted under the Section 8 program becomes divided into two otherwise eligible families due to divorce, legal separation, or the division of the family, and the new families cannot agree as to which new family unit should continue to receive the assistance, and there is no determination by a court, the Director of Rental Assistance shall consider the following factors to determine which of the families will continue to be assisted:

- . Which of the two new family units has custody of dependent children.
- . Which family member was the head of household when the Voucher was initially issued (listed on the initial application).
- . The composition of the new family units, and which unit contains elderly or disabled members.
- . Whether domestic violence was involved in the breakup.
- . Which family members remain in the unit.
- . Recommendations of social service professionals.

Documentation of these factors will be the responsibility of the requesting parties.

If documentation is not provided, the PHA will terminate assistance on the basis of failure to provide information necessary for a recertification.

**H. REMAINING MEMBER OF TENANT FAMILY - RETENTION OF VOUCHER**

[24 CFR 982.315]

To be considered the remaining member of the tenant family, the person must have been previously approved by the PHA to be living in the unit.

A live-in attendant, by definition, is not a member of the family and will not be considered a remaining member of the Family.

In order for a minor child to continue to receive assistance as a remaining family member:

- ☐ The court has to have awarded emancipated minor status to the minor, or
- ☐ The PHA has to have verified that social services and/or the Juvenile Court has arranged for another adult to be brought into the assisted unit to care for the child(ren) for an indefinite period.

A reduction in family size may require a reduction in the voucher family unit size.

**I. SPLIT HOUSEHOLDS DURING PROGRAM PARTICIPATION**

When families currently receiving assistance split, the current head of household retains continual voucher assistance. Remaining family members must separately apply when the waiting list is open to receive assistance.





**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY**

10400 Detrick Avenue  
Kensington, Maryland 20895  
(240) 627-9425

**Special Session Minutes**

**April 20, 2021**

A Special Session of the Housing Opportunities Commission of Montgomery County was conducted via an online platform and teleconference on Tuesday, April 20, 2021, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland beginning at 2:30 p.m. Those in attendance were:

**Via Online/Teleconference**

Roy Priest, Chair  
Frances Kelleher, Vice Chair  
Richard Y. Nelson, Chair Pro Tem  
Jeffrey Merkowitz  
Jackie Simon

**Absent**

Pamela Byrd  
Linda Croom

**Also Attending via Online/Teleconference**

Stacy Spann, Executive Director  
Aisha Memon, General Counsel  
Eamon Lorincz, Deputy General Counsel  
Cornelia Kent  
Fred Swan  
Darcel Cox  
Gio Kaviladze

Kayrine Brown, Deputy Executive Director  
Zachary Marks  
Jennifer Arrington  
Nathan Bovelie  
Marcus Ervin  
Claire Kim  
Nicolas Deandreis

**Commission Support**

Patrice Birdsong, Spec. Asst. to the Commission

- I. **ITEMS REQUIRING DELIBERTION and/or ACTION**
  - A. **Bradley Boulevard:** Approval to Complete the Acquisition of the Bradley Boulevard Portfolio and Approval of the Finance Plan for the Acquisition

At the request of Chair Priest, due to technical concerns, Vice Chair Kelleher convened the meeting

Zachary Marks, Chief Real Estate Officer, and Gio Kaviladze, Senior Financial Analyst, were the presenters. Mr. Kaviladze provided a presentation of the Bradley Boulevard Properties. Staff requested approval of the Commission to authorize the Executive Director to complete the acquisition and to approve the financing plan of the Bradley Boulevard Properties. Staff also requested to retain Aldon Management Corporation as initial management company and to authorize the reimbursement to the OHRF for advances related to acquisition expenditures.

Commissioners congratulated staff on the accomplishment.

A motion was made by Chair Pro Tem Nelson and seconded by Commissioner Simon. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Merkowitz, and Simon. Commissioners Byrd and Croom were necessarily absent and did not participate in the vote.

**RESOLUTION NO.: 21- 42A**

**RE: Approval to Complete the Acquisition of the  
Bradley Boulevard Portfolio and Approval of  
the Finance Plan for the Acquisition**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”), a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, is authorized thereby to effectuate the purpose of providing affordable housing, including providing for the acquisition of rental housing properties which provide a public purpose; and

**WHEREAS**, HOC has reached terms at which to buy existing rental housing (“Bradley Boulevard Properties”) located at 4740, 4730, 4701, 4705, and 4709 Bradley Blvd; 6900, 6904 and 6908 Strathmore Street; 4750 and 4757 Chevy Chase Drive; and 4800, 4804 and 4808 Wellington Drive – all in Chevy Chase, Maryland 20815; and

**WHEREAS**, the 401 units of the Bradley Boulevard Properties are unrestricted rental units that currently serve a significant number of households earning below 80% of the Area Median Income within the Washington-Metropolitan Statistical Area (“AMI”); and

**WHEREAS**, acquiring the Bradley Boulevard Properties supports HOC’s mission by preserving the availability of affordable housing in Montgomery County; and

**WHEREAS**, upon its acquisition of the Bradley Boulevard Properties, HOC will record a covenant on the property restricting 30% of units to 80% of AMI and an additional 20% of units to 50% AMI; and

**WHEREAS**, in December 2020, the Commission made a \$1,880,000 earnest money deposit, which is applicable to the purchase price. The deposit was funded from HOC’s Opportunity Housing Development Fund (“OHDF”); and

**WHEREAS**, staff has completed its review of the property and has found no adverse conditions that would prevent completing the acquisition; and

**WHEREAS**, HOC received financing proposals from several banks to fund the acquisition of Bradley Boulevard Properties and EagleBank submitted the most favorable proposal for a three-year \$81,200,000 loan; and

**WHEREAS**, staff proposes to fund the remaining approximately \$16,990,000 required to complete the acquisition with draws of \$1,000,000 from HOC's Opportunity Housing Reserve Fund ("OHRF"), \$2,320,000 from the MPDU/Property Acquisition Fund ("MPDU/PAF"), and up to \$14 million from the PNC N.A. Real Estate Line of Credit ("RELOC") (the "Remaining Acquisition Funds"). Staff proposes to keep the \$1,880,000 earnest money deposit draw from OHDF and the \$2,320,000 draw from the MPDU/PAF outstanding for 90 days after closing, at which time both balances will be repaid to OHDF and MPDU/PAF from OHRF; and

**WHEREAS**, staff will request a \$10 million HIF acquisition loan from the County DHCA. If approved, this loan will partially repay the acquisition draw from RELOC; and

**WHEREAS**, Bradley Boulevard Properties are currently managed by Aldon Management Corporation ("Aldon Management"). Staff proposes to retain Aldon Management as the initial management company for Bradley Boulevard Properties for a management fee of 3.5% of effective gross income and a one (1) year term commencing at closing, with two options to extend the term for one (1) year each subject to mutual agreement.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County, on behalf of itself and on behalf of HOC MM Bradley Crossing, LLC, as its sole member, and Bradley Crossing, LLC, as the sole member of its sole member, that it authorizes the Executive Director to complete the acquisition of the Bradley Boulevard Properties.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County, on behalf of itself and on behalf of HOC MM Bradley Crossing, LLC, as its sole member, and Bradley Crossing, LLC, as the sole member of its sole member, approves acceptance of a \$81,200,000 loan from EagleBank to fund the acquisition of Bradley Boulevard Properties, with the expectation that the EagleBank loan would be refinanced using the proceeds of tax-exempt bonds to be issued by the Commission to fund a mortgage that would be insured under the FHA Risk Share program.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County authorizes the use of the \$1,880,000 earnest money deposit to fund HOC's equity contribution toward the acquisition of the Bradley Boulevard Properties. The Commission authorizes an extension of the term of the OHDF draw to 90 days after closing, with the expectation that at the expiration of the 90-day term the draw will be repaid from OHRF.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County authorizes a draw of \$1,000,000 from the OHRF to be used to fund HOC's equity contribution toward the acquisition of the Bradley Boulevard Properties.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County authorizes a draw of \$2,320,000 from the MPDU/PAF to be used to fund HOC's equity contribution toward

the acquisition of the Bradley Boulevard Properties, with the expectation that the draw will remain outstanding for 90 days after closing and will be repaid from OHRF at the expiration of this term.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County authorizes a draw on the RELOC not to exceed \$14,000,000 to complete the funding of the acquisition of Bradley Boulevard Properties, with the expectation that the draw will be partially repaid with the proceeds of the requested \$10,000,000 County HIF loan, if approved.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County, on behalf of HOC MM Bradley Crossing, LLC, as its sole member, and Bradley Crossing, LLC, as the sole member of its sole member, accepts the Remaining Acquisition Funds.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County, on behalf of HOC MM Bradley Crossing, LLC, as its sole member, and Bradley Crossing, LLC, as the sole member of its sole member, approves the selection of Aldon Management as the initial management company for Bradley Boulevard Properties.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County authorizes repayment of a loan of up to \$210,000 that was extended from the OHRF for due diligence and pursuit activities related to the acquisition of the Bradley Boulevard Properties.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission Montgomery County, on behalf of itself and on behalf of HOC MM Bradley Crossing, LLC, as its sole member, and Bradley Crossing, LLC, as the sole member of its sole member, authorizes the Executive Director of HOC, or his authorized designee, without any further action on its part, to take any and all other actions necessary and proper to carry out the transaction and actions contemplated herein.

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A motion was made by Commissioner Simon and seconded by Chair Pro Tem Nelson to approve Resolution No. 21-42B. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Merkwowitz, and Simon. Commissioners Byrd and Croom were necessarily absent and did not participate in the vote.

**RESOLUTION NO.: 21-42B**

**RE: Approval to Draw up to \$14,000,000 on the PNC Bank, N.A. Real Estate Line of Credit to Acquire Bradley Boulevard Properties**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”), a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, is authorized thereby to effectuate the purpose of providing affordable housing, including providing for the acquisition of rental housing properties which provide a public purpose; and

**WHEREAS**, HOC has reached terms at which to buy existing rental housing (“Bradley Boulevard Properties”) located at 4740, 4730, 4701, 4705, and 4709 Bradley Blvd; 6900, 6904 and 6908

Strathmore Street; 4750 and 4757 Chevy Chase Drive; and 4800, 4804 and 4808 Wellington Drive – all in Chevy Chase, Maryland 20815; and

**WHEREAS**, HOC intends to finance the acquisition with a \$81,200,000 loan from EagleBank and a \$5,200,000 equity contribution from HOC resources; and

**WHEREAS**, HOC wishes to complete the acquisition funding with a tax-exempt PNC N.A. Real Estate Line of Credit (“RELOC”) draw of up to \$14,000,000.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that it authorizes a tax-exempt draw on the PNC RELOC in an amount not to exceed \$14,000,000 for the acquisition of Bradley Boulevard Properties for a term of 48 months.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission Montgomery County authorizes the Executive Director, or his authorized designee, without any further action on its part, to take any and all other actions necessary and proper to carry out the transaction and actions contemplated herein.

A motion was made by Commissioner Simon and seconded by Chair Pro Tem Nelson to adjourn. The meeting adjourned at 2:51 p.m.

Respectfully submitted,

Stacy L. Spann  
Secretary-Treasurer

/pmb

# Closed and Special Session Ratifications

**RATIFICATION OF ACTION TAKEN IN OPEN SPECIAL SESSION ON  
APRIL 20, 2021:**

**APPROVAL TO COMPLETE THE ACQUISITION OF THE BRADLEY BOULEVARD  
PORTFOLIO AND APPROVAL OF THE FINANCE PLAN FOR THE ACQUISITION**

**MAY 5, 2021**

- At an open Special Session held on April 20, 2021, the Commission adopted Resolution 21-42A in which the Commission approved completing the acquisition of the Bradley Boulevard Properties and other related matters.
- Consistent with the Commission's Second Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in a regular open meeting with a quorum participating, the action taken at the April 20, 2021 open Special Session. Additionally, the Commission wishes to ratify any action taken since the Special Session with respect to the approved action.



**RESOLUTION: 21-42<sup>AR</sup>**

**RE: Approval to Complete the Acquisition of the Bradley Boulevard Portfolio and Approval of the Finance Plan for the Acquisition**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”), a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, is authorized thereby to effectuate the purpose of providing affordable housing, including providing for the acquisition of rental housing properties which provide a public purpose;

**WHEREAS**, HOC has reached terms at which to buy existing rental housing (“Bradley Boulevard Properties”) located at 4740, 4730, 4701, 4705, and 4709 Bradley Blvd; 6900, 6904 and 6908 Strathmore Street; 4750 and 4757 Chevy Chase Drive; and 4800, 4804 and 4808 Wellington Drive – all in Chevy Chase, Maryland 20815;

**WHEREAS**, the 401 units of the Bradley Boulevard Properties are unrestricted rental units that currently serve a significant number of households earning below 80% of the Area Median Income within the Washington-Metropolitan Statistical Area (“AMI”);

**WHEREAS**, acquiring the Bradley Boulevard Properties supports HOC’s mission by preserving the availability of affordable housing in Montgomery County;

**WHEREAS**, upon its acquisition of the Bradley Boulevard Properties, HOC will record a covenant on the property restricting 30% of units to 80% of AMI and an additional 20% of units to 50% AMI;

**WHEREAS**, in December 2020, the Commission made a \$1,880,000 earnest money deposit, which is applicable to the purchase price and was funded from HOC’s Opportunity Housing Development Fund (“OHDF”);

**WHEREAS**, staff has completed its review of the property and has found no adverse conditions that would prevent completing the acquisition;

**WHEREAS**, HOC received financing proposals from several banks to fund the acquisition of Bradley Boulevard Properties and EagleBank submitted the most favorable proposal for a three-year \$81,200,000 loan;

**WHEREAS**, staff proposes to fund the remaining approximately \$16,990,000 required to complete the acquisition with draws of \$1,000,000 from HOC’s Opportunity Housing Reserve Fund (“OHRF”), \$2,320,000 from the MPDU/Property Acquisition Fund (“MPDU/PAF”), and up to \$14 million from the PNC N.A. Real Estate Line of Credit (“RELOC”) (the “Remaining Acquisition Funds”);

**WHEREAS**, staff proposes to keep the \$1,880,000 earnest money deposit draw from OHDF and the \$2,320,000 draw from the MPDU/PAF outstanding for 90 days after closing, at which time both balances will be repaid to OHDF and MPDU/PAF from OHRF;

**WHEREAS**, staff will request a \$10 million HIF acquisition loan from the County DHCA and, if approved, this loan will partially repay the acquisition draw from RELOC;

**RATIFICATION OF ACTION TAKEN IN OPEN SPECIAL SESSION ON  
APRIL 20, 2021:**

**APPROVAL TO DRAW UP TO \$14,000,000 ON THE PNC BANK, N.A. REAL ESTATE  
LINE OF CREDIT TO ACQUIRE BRADLEY BOULEVARD PROPERTIES**

**MAY 5, 2021**

- At an open Special Session held on April 20, 2021, the Commission adopted Resolution 21-42B in which the Commission approved drawing on the PNC Real Estate Line of Credit for the acquisition of the Bradley Boulevard Properties.
- Consistent with the Commission's Second Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in a regular open meeting with a quorum participating, the action taken at the April 20, 2021 open Special Session. Additionally, the Commission wishes to ratify any action taken since the Special Session with respect to the approved action.

**RESOLUTION: 21-42<sup>B</sup>R**

**RE: Approval to Draw up to \$14,000,000 on the PNC Bank, N.A. Real Estate Line of Credit to Acquire Bradley Boulevard Properties**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”), a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, is authorized thereby to effectuate the purpose of providing affordable housing, including providing for the acquisition of rental housing properties which provide a public purpose;

**WHEREAS**, HOC has reached terms at which to buy existing rental housing (“Bradley Boulevard Properties”) located at 4740, 4730, 4701, 4705, and 4709 Bradley Blvd; 6900, 6904 and 6908 Strathmore Street; 4750 and 4757 Chevy Chase Drive; and 4800, 4804 and 4808 Wellington Drive – all in Chevy Chase, Maryland 20815;

**WHEREAS**, HOC intends to finance the acquisition with a \$81,200,000 loan from EagleBank and a \$5,200,000 equity contribution from HOC resources;

**WHEREAS**, HOC wishes to complete the acquisition funding with a tax-exempt PNC Bank N.A. Real Estate Line of Credit (“RELOC”) draw of up to \$14,000,000;

**WHEREAS**, at an open Special Session duly called and held on April 20, 2021, with a quorum participating, the Commission duly adopted Resolution 21-42B, with Commissioners Priest, Kelleher, Nelson, Merkowitz, and Simon voting in approval, and Commissioners Byrd and Croom being necessarily absent and not participating in the vote;

**WHEREAS**, by adopting Resolution 21-42B, the Commission authorized a tax-exempt draw on the RELOC in an amount not to exceed \$14,000,000 for the acquisition of Bradley Boulevard Properties for a term of 48 months.

**WHEREAS**, consistent with the Commission’s Second Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in a regular open meeting with a quorum participating, the action undertaken by the Commissioners in adopting Resolution 21-42B and any actions taken since April 20, 2021 to effectuate the actions contemplated therein.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that Resolution 21-42B and any subsequent actions taken in relation thereto are hereby ratified and affirmed.

**I HEREBY CERTIFY** that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on May 5, 2021.

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Patrice M. Birdsong  
Special Assistant to the Commission

**WHEREAS**, Bradley Boulevard Properties are currently managed by Aldon Management Corporation (“Aldon Management”), and staff proposes to retain Aldon Management as the initial management company for Bradley Boulevard Properties for a management fee of 3.5% of effective gross income and a one (1) year term commencing at closing, with two options to extend the term for one (1) year each subject to mutual agreement;

**WHEREAS**, at an open Special Session duly called and held on April 20, 2021, with a quorum participating, the Commission duly adopted Resolution 21-42A, with Commissioners Priest, Kelleher, Nelson, Merkowitz, and Simon voting in approval, and Commissioners Byrd and Croom being necessarily absent and not participating in the vote;

**WHEREAS**, by adopting Resolution 21-42A, the Commission approved the following actions:

1. On behalf of itself and on behalf of HOC MM Bradley Crossing, LLC, as its sole member, and Bradley Crossing, LLC, as the sole member of its sole member, the Commission authorized the Executive Director to complete the acquisition of the Bradley Boulevard Properties.
2. On behalf of itself and on behalf of HOC MM Bradley Crossing, LLC, as its sole member, and Bradley Crossing, LLC, as the sole member of its sole member, approved acceptance of a \$81,200,000 loan from EagleBank to fund the acquisition of Bradley Boulevard Properties, with the expectation that the EagleBank loan would be refinanced using the proceeds of tax-exempt bonds to be issued by the Commission to fund a mortgage that would be insured under the FHA Risk Share program.
3. Authorized the use of the \$1,880,000 earnest money deposit to fund HOC’s equity contribution toward the acquisition of the Bradley Boulevard Properties, and authorized an extension of the term of the OHDF draw to 90 days after closing, with the expectation that at the expiration of the 90-day term, the draw will be repaid from OHRF.
4. Authorized a draw of \$1,000,000 from the OHRF to be used to fund HOC’s equity contribution toward the acquisition of the Bradley Boulevard Properties.
5. Authorized a draw of \$2,320,000 from the MPDU/PAF to be used to fund HOC’s equity contribution toward the acquisition of the Bradley Boulevard Properties, with the expectation that the draw will remain outstanding for 90 days after closing and will be repaid from OHRF at the expiration of this term.
6. Authorized a draw on the RELOC not to exceed \$14,000,000 to complete the funding of the acquisition of Bradley Boulevard Properties, with the expectation that the draw will be partially repaid with the proceeds of the requested \$10,000,000 County HIF loan, if approved.
7. On behalf of itself and on behalf of HOC MM Bradley Crossing, LLC, as its sole member, and Bradley Crossing, LLC, as the sole member of its sole member, accepting the Remaining Acquisition Funds.

8. On behalf of itself and on behalf of HOC MM Bradley Crossing, LLC, as its sole member, and Bradley Crossing, LLC, as the sole member of its sole member, approved the selection of Aldon Management as the initial management company for Bradley Boulevard Properties.
9. Authorized the repayment of a loan of up to \$210,000 that was extended from the OHRF for due diligence and pursuit activities related to the acquisition of the Bradley Boulevard Properties.
10. On behalf of itself and on behalf of HOC MM Bradley Crossing, LLC, as its sole member, and Bradley Crossing, LLC, as the sole member of its sole member, authorized the Executive Director of HOC, or his authorized designee, without any further action on its part, to take any and all other actions necessary and proper to carry out the transaction and actions contemplated herein.

**WHEREAS**, consistent with the Commission's Second Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in a regular open meeting with a quorum participating, the action undertaken by the Commissioners in adopting Resolution 21-42A and any actions taken since April 20, 2021 to effectuate the actions contemplated therein.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that Resolution 21-42A and any subsequent actions taken in relation thereto are hereby ratified and affirmed.

**I HEREBY CERTIFY** that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on May 5, 2021.

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Patrice M. Birdsong  
Special Assistant to the Commission

# Consent Items

## **APPROVAL TO UNSEAL RESOLUTIONS 18-93AS, 18-94AS<sup>1</sup>, and 18-94AS<sup>2</sup>**

**MAY 5, 2021**

- The Open Meetings Act (“OMA”) provides that that the minutes of a closed session shall be sealed and may not be open to the public. However, minutes may be unsealed and open to inspection on the request of a person if a majority of the members of the public body vote in favor of unsealing the minutes.
- On March 30, 2021, HOC received a request to provide copies of the closed session resolutions passed at the November 7, 2018 closed meeting (Resolutions 18-93AS, 18-94AS<sup>1</sup> and 18-94AS<sup>2</sup>).

**RESOLUTION: 21-43**

**RE: Approval to Unseal Resolutions 18-93AS, 18-94AS<sup>1</sup> and Resolution 18-94AS<sup>2</sup>**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (the "Commission" or "HOC") is a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, and is subject to the Open Meetings Act ("OMA");

**WHEREAS**, the OMA provides that the minutes of a closed session shall be sealed and may not be open to the public unless, upon a request by the public, a majority of the members of a public body vote in favor of unsealing the minutes;

**WHEREAS**, on March 30, 2021, HOC received a request that the Commission consider unsealing the resolutions passed at the November 7, 2018 closed meeting (i.e., Resolutions 18-93AS, 18-94AS<sup>1</sup>, and 18-94AS<sup>2</sup>) (the "Resolutions"); and

**WHEREAS**, staff reviewed the Resolutions and recommends to the Commission that they be unsealed with redactions to maintain the confidentiality of certain financial information provided by a financial partner.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that Resolutions 18-93AS, 18-94AS<sup>1</sup> and 18-94AS<sup>2</sup>, as redacted, be unsealed.

**I HEREBY CERTIFY** that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on May 5, 2021.

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Patrice M. Birdsong  
Special Assistant to the Commission



# **APPROVAL OF NEW PARTICIPATING LENDERS FOR THE SINGLE FAMILY MORTGAGE PURCHASE PROGRAM**

**May 5, 2021**

- The Commission has approved continuous lender participation in the Single Family Mortgage Purchase Program (“MPP”) and continuous lender solicitation for new lender participation. Currently, 17 lenders are active participants in the MPP.
- The criteria for participation in the MPP are: 1) the lender is not a mortgage broker and can close loans in its own name; and, 2) the lender is approved to do business with Freddie Mac and/or Fannie Mae, or the lender is an approved FHA originating lender. New lenders are also required to be approved by U.S. Bank, N.A. (U.S. Bank), HOC’s master servicer for the Mortgage Backed Securities (“MBS”) program.
- Approved MPP lenders are the only lenders that have access to the Commission administered Montgomery County Revolving Closing Cost Assistance Program and other special Closing Cost Programs.
- Ameris Bank Mortgage, First Heritage Mortgage, LLC and Severn Savings Bank have applied for participation in the MPP, and meet the criteria for participation. Ameris Bank has acquired Fidelity Bank, which was previously an MPP participating lenders.
- Staff requests that the Commission accept staff’s recommendation, which is supported by the Development & Finance Committee, and approve Ameris Bank Mortgage, First Heritage Mortgage, LLC and Severn Savings Bank, as new MPP participating lenders.

## M E M O R A N D U M

**TO:** Housing Opportunities Commission

**VIA:** Stacy L. Spann, Executive Director

**FROM:** Division: Mortgage Finance  
Staff: Kayrine Brown, Deputy Executive Director Ext. 9589  
Jennifer Hines Arrington, Acting Director of Mortgage Finance Ext. 9760  
Paulette Dudley, Program Specialist III Ext. 9596

**RE:** **Single Family Lending:** Approval of New Participating Lenders for the Single Family Mortgage Purchase Program

**DATE:** May 5, 2021

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**STATUS:** Consent  X

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**OVERALL GOAL & OBJECTIVE:**

To approve Ameris Bank Mortgage, First Heritage Mortgage, LLC and Severn Savings Bank, as new participating lenders for the Single Family Mortgage Purchase Program in an effort to broaden the reach of the program, which provides mortgage financing to low-to-moderate income, first-time homebuyers in Montgomery County at below market rates.

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**BACKGROUND:**

The Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) has approved the continuous participation of lenders from program to program and an on-going admission of new lenders to the Single Family Mortgage Purchase Program (“MPP” or the “Program”). As lenders apply for participation in the MPP, the requests are submitted to the Commission for approval. Increasing lender participation broadens the exposure of the Commission’s Single Family mortgage products, as well as to the Revolving County Closing Cost Assistance Program and other special Closing Cost programs, which must be used in conjunction with a MPP first mortgage.

All approved and participating lenders are advised that continued participation in the MPP requires mortgage loan production. If the lender does not submit a mortgage loan within any 12-month period, that lender may be subject to suspension, as a participating lender in the MPP. Over the years, HOC has approved 34 lenders, but through non-participation or the mortgage company’s notice to no longer participate in the Program, there are currently 17 lenders that are active participants in the MPP. Lenders can be activated again with approval by HOC and training, and also, verification that they are approved by U.S. Bank, N.A. (“U.S. Bank”), the Program’s Mortgage Backed Securities (“MBS”) master servicer.

The criteria for lender participation in the MPP are: 1) the lender is not a mortgage broker and can close loans in its own name; and 2) the lender is approved to do business with Freddie Mac and/or Fannie Mae, or the lender is an approved FHA originating lender. New lenders are also required to be approved by U.S. Bank for the MBS Program.

Ameris Bank Mortgage, First Heritage Mortgage, LLC, and Severn Savings Bank have submitted a request to participate in the MPP. All three (3) lenders meet the criteria for approval, are approved sellers/servicers with FHA, FNMA and Freddie Mac, and are approved lenders with U.S. Bank's Mortgage Revenue Bond Program ("MRBP") division. In addition, each have experience with other programs like ours in Maryland and Virginia.

Approved lenders receive training from HOC staff and U.S. Bank before they are allowed to begin originating and closing loans in the MPP. Under the MPP's MBS Program, HOC underwrites for Program compliance and the lenders underwrite for credit worthiness.

Lender approval will apply to the 1979 Single Family Mortgage Revenue Bond Resolution, the 2009 Single Family Housing Revenue Bond Resolution and the 2019 Program Revenue Bond Resolution.

### **Ameris Bank Mortgage**

Founded in 1971, Ameris Bank Mortgage ("Ameris"), while headquartered in Atlanta, Georgia, operates over 300 financial centers across the Southeast. The merger of Fidelity Bank into Ameris was approved by the Federal Deposit Insurance Corporation ("FDIC") on May 6, 2019, pursuant to Section 18(c) of the Federal Deposit Insurance Act. 12 U.S.C. § 1828(c). Ameris is well capitalized and well managed under applicable law. Fidelity Bank was a former participant in the MPP.

Ameris maintains a satisfactory rating under the Community Reinvestment Act ("CRA"); the lending test is rated satisfactory; and, the community development test is rated outstanding. It has full-service locations in several states to include mortgage-only locations in Maryland and Virginia.

Ameris is willing to market any affordable housing programs that work in conjunction with lending programs at HOC. Non-English speaking borrowers are accommodated with a loan officer, who can communicate in their native language whenever possible.

### **First Heritage Mortgage, LLC**

Founded in 1996, First Heritage Mortgage ("First Heritage"), is headquartered in Fairfax, VA. Its loan officers average more than 15 years of mortgage banking experience. Mortgage applications may be received in various office in the following locations: Bethesda, MD; Hanover, MD; Prince Frederick, MD; Fairfax, VA; and, Woodbridge, VA.

First Heritage will market any affordable housing programs that work in conjunction with lending programs at HOC. The company has stated that it will make every reasonable accommodation requested by an applicant for non-English speaking, hearing impaired and disabled applicants.

### **Severn Savings Bank**

Established since 1946, Severn Savings Bank ("Severn Savings") is a federally chartered bank, and is headquartered in Annapolis since 1980. Severn Savings, as a community bank is dedicated to lending to a broad spectrum of homeowners, including first-time home buyers with low to moderate income. Severn Savings Bank offers various programs, which provides for additional closing cost assistance to First Responders, Veterans, Educators, Active Military, Law Enforcement, and several other professions. In addition, it also participates in Habitat for Humanity lending, recently closing a first mortgage transaction for a first-time home buyer with a 0% interest rate. As a participating lender, it believes that some of its grants and programs could be "stacked" with the MPP, if allowable, to maximize the potential for a homeowner to receive as much credit and assistance as possible.

The programs that they participate in are actively marketed to local realtors via social media, email outreach, and housing conferences in the counties where they do business – they would educate area homeowners in the same manner regarding the MPP. While Severn Savings currently does not have a branch in Montgomery County, it is examining adding one. At present, its Loan Processing Offices in Frederick and Prince George’s County work directly with borrowers who are seeking homeownership in Montgomery County via phone, email, or online conferencing to assess their needs.

Severn Savings participates in the Federal Home Loan Bank of Atlanta programs and are an approved bank partner. At the county level, it is approved through various Maryland counties, such as the Charles, Frederick, Howard, and Anne Arundel County programs.

Severn Savings provides applications and forms that are translated from English to Spanish, and employ staff within the bank that are bilingual to assist with any potential language challenge with our applicants. In addition, Severn Savings is able to provide services for the hearing impaired.

**SERVICING**

Under the HOC MBS Program, lenders will release servicing and receive a loan origination fee of between 0% and 2% based on the time lapse between loan origination and purchase. Lenders receive a higher origination fee the earlier the loan is purchased. Servicing is handled by U.S. Bank, as Master Servicer.

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**ISSUES FOR CONSIDERATION:**

Will the Commission approve staff’s recommendation, which is supported by the Development & Finance Committee, and approve Ameris Bank Mortgage, First Heritage Mortgage, LLC and Severn Savings Bank for participation in the Single Family Mortgage Purchase Program?

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**PRINCIPALS:**

Ameris Bank Mortgage  
First Heritage Mortgage, LLC  
Severn Savings Bank  
Housing Opportunities Commission of Montgomery County

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**BUDGET IMPACT:**

None.

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**TIME FRAME:**

For formal action at the May 5, 2021 meeting of the Commission.

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**STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:**

Staff recommends that the Commission approve Ameris Bank Mortgage, First Heritage Mortgage, LLC and Severn Savings Bank, as new participating lenders in the Single Family Mortgage Purchase Program.

## ***Attachment 1***

### **Approved Active HOC/U.S. Bank Lenders**

- Apex Home Loans, Inc.
- Caliber Funding LLC.
- Embrace Home Loans, Inc.
- Fairway Independent Mortgage Corporation
- First Home Mortgage Corp
- HomeBridge Financial Services, Inc.
- Homeside Financial LLC
- loandepot.com
- Mortgage Access Corp
- Movement Mortgage, LLC
- NFM, Inc. dba NFM Lending
- NVR Mortgage Finance, Inc.
- Presidential Bank, FSB
- PrimeLending, a Plains Capital Company
- Prosperity Home Mortgage, LLC
- Sandy Spring Bank
- TowneBank Mortgage

**RESOLUTION No: 21-44**

**RE: Approval of New Participating Lenders  
for the Single Family Mortgage  
Purchase Program**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (the “Commission”) approves lenders to participate in the Single Family Mortgage Purchase Program (“MPP”); and

**WHEREAS**, such participation is continuous and for multiple programs; and

**WHEREAS**, the Commission has approved an ongoing process for adding new lenders to the MPP;  
and

**WHEREAS**, Ameris Bank Mortgage, First Heritage Mortgage, LLC and Severn Savings Bank have applied for participation in the MPP; and

**WHEREAS**, Ameris Bank Mortgage, First Heritage Mortgage, LLC and Severn Savings Bank have satisfied the required criteria for admittance to the MPP.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that Ameris Bank Mortgage, First Heritage Mortgage, LLC and Severn Savings Bank are approved for participation in the MPP, effective immediately.

**I HEREBY CERTIFY** that the foregoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on May 5, 2021.

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**Patrice M. Birdsong**  
**Special Assistant to the Commission**

# Committee Reports and Recommendations for Action



# Development and Finance Committee

**APPROVAL OF STRUCTURE, COST OF ISSUANCE BUDGET, AND ADOPTION OF SERIES  
RESOLUTION(S) FOR THE ISSUANCE OF SINGLE FAMILY MORTGAGE REVENUE BONDS**

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**SINGLE FAMILY MORTGAGE FINANCE**



**STACY L. SPANN, EXECUTIVE DIRECTOR**

**Kayrine V. Brown  
Jennifer Hines Arrington  
Paulette Dudley**

**May 5, 2021**  
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# EXECUTIVE SUMMARY

Since the creation of the Single Family Mortgage Purchase Program (the “Program” or “MPP”) in 1979, the Commission has issued multiple series of bonds under the Single Family Mortgage Revenue Bond (“MRB”) Resolution (the “1979 Indenture”) to provide low-interest rate mortgages to first-time homebuyers. The Commission also may issue bonds under the Single Family Housing Revenue Bond (“HRB”) Resolution 2009 Indenture (the “2009 Indenture”) and under the newly formed Program Revenue Bond (“PRB”) Resolution 2019 Indenture (the “2019 Indenture”). In addition, the Commission has utilized the practice of issuing refunding bonds in the Program to (i) recycle and extend the life of volume cap it allocates to each bond issue (“Replacement Refunding”) and/or (ii) refinance its outstanding bond debt at a lower bond yield, thus lowering costs of the Program (“Economic Refunding”).



Currently, there are approximately \$10 million remaining in bond proceeds for the Program, a portion of which is held back to be lent in conjunction with the anticipated 2021 issuance of bonds under the 1979 Indenture (the “2021 Bonds”). The 2021 Bonds will consist of:

- 2021 Bonds used for Replacement Refunding (the “2021 Replacement Refunding Bonds”) will be used to (1) repay the Program’s \$10 million draw on the PNC Bank, N.A. Line of Credit (“PNC LOC”) on January 1, 2021 that replacement refunded several series of MRBs, HRBs, and PRBs, and (2) replacement refund additional MRBs, HRBs, and PRBs, scheduled for redemption on July 1, 2021. The total amount of 2021 Replacement Refunding Bonds is expected to be approximately \$25 million but may exceed that amount depending on the amount of prepayments and repayments received under the Program up to the time of the issuance.
- 2021 Bonds used for Economic Refunding (the “2021 Economic Refunding Bonds”), totaling approximately \$16 million, will be used to refund bonds under the 2009 Indenture that are optionally callable on or before July 1, 2021 in order to achieve a lower cost of borrowing for the Program. Using conservative assumptions for structuring and prepayment considerations, the net present value savings from the Economic Refunding is expected to be between \$850,000 to \$900,000 (5.3% to 5.7%) over the life of the bonds.
- As a result of issuing the 2021 Bonds, approximately \$25 million is expected to be made available to the Program to make new mortgage loans at below-market rates. Assuming an average loan of \$300,000, this bond issue will generate approximately 83 mortgages. The total amount of the 2021 Bonds is expected to be approximately \$41 million, and no more than \$50 million.

# EXECUTIVE SUMMARY

The 2021 Bonds are expected to include two or more series of non-AMT and AMT, Serial and Term bonds. The bond issuance may also include a taxable component to optimize proceeds and interest rate, should market conditions at the time of sale favor such issuance. The bonds are expected to be sold at par or a premium, but may also be sold at a discount. Up to \$20 million of the 2021 Bonds may bear interest at a variable rate; the remaining 2021 Bonds will bear interest at a fixed rate. If the structure includes variable rate bonds, an interest rate hedge agreement (or “Swap”) may be entered into contemporaneously with the sale of the 2021 Bonds or on a future date, depending on prevailing market conditions.

Currently, 2021 Series A is proposed as fixed rate, non-AMT Replacement and Economic Refunding bonds (approximately \$32.4 million), and the 2021 Series B is proposed as variable rate, AMT Replacement and Economic Refunding bonds (approximately \$8.6 million). Any taxable bonds would be included in a third series. While the transaction is private activity, tax-exempt in nature, no volume cap will be required, as volume cap is being recycled and extended by executing the Replacement Refunding. An Economic Refunding does not require volume cap.

The cost of issuance is estimated to be approximately \$660,000, will be commensurate with the size and structure of the overall issuance, and will be paid from funds available under the 1979 Indenture.

In addition, one or more Series Resolutions will be set forth, among other things, authorization to issue the bonds, the purpose of the bonds and the application of proceeds, redemption provisions, types of accounts to be created, and authority to execute necessary documents. The Series Resolution(s) will be prepared by Kutak Rock, LLP and HOC Bond Counsel, which will be presented to the full Commission for approval.

Staff requests that the Commission accept staff’s recommendation, which is supported by the Development & Finance Committee, and approve the following actions:

1. Approval of the structure and issuance of the 2021 Bonds under the 1979 Mortgage Revenue Bond Resolution in an amount not to exceed \$50 million in aggregate, of which no more than \$20 million may bear interest at a variable rate.
2. Approval of the cost of issuance budget, estimated to be approximately \$660,000, to be funded by the 1979 Indenture.
3. Authorization to execute an interest rate hedge agreement relating to the variable rate 2021 Bonds, subject to prevailing market conditions.
4. Adoption of one or more Series Resolutions authorizing the issuance of the 2021 Bonds.

# TRANSACTION STRUCTURE: OVERVIEW

The overall financing plan is comprised of a Replacement Refunding of approximately 16 series of MRBs, HRBs and PRBs for approximately \$25 million and an Economic Refunding of approximately \$16 million, producing a total issuance of approximately \$41 million. The bonds which have been identified for Economic Refunding are from the 2009 Indenture – 2009 Series C-1, 2009 Series C-2, 2009 Series C-3 and 2011 Series A bonds. The new issuance will include two (2) or more series of bonds. The following is a discussion of the transaction’s structure. Amounts are approximate.

	2021 Series A (Non-AMT)	2021 Series B (AMT)	Total
<b>New Money</b>			
Replacement Refunding Bonds	\$18,300,000	\$6,700,000	\$25,000,000
<b>Economic Refunding</b>	\$14,105,000	\$1,880,000	\$15,985,000
<b>TOTAL</b>	<b>\$32,405,000</b>	<b>\$8,580,000</b>	<b>\$40,985,000</b>

## Structure of Issuance

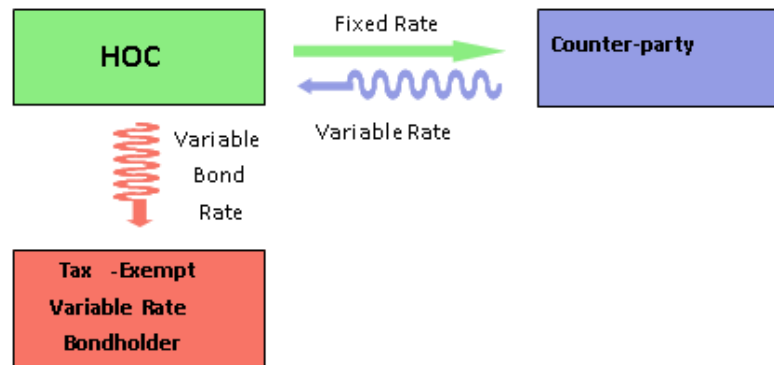
- Issue up to \$50 million under the 1979 Indenture
- Fixed and variable rate, tax-exempt, non-AMT and AMT Serial, Term and Premium bonds. If market conditions allow, the bond issuance may include a taxable component to optimize the bond issue and the pricing (the resolution will state more than one series).
- Latest Maturity – year 2050 (29 years)
- Two (2) or more series of bonds, which currently assumes:
  1. 2021 Series A will include fixed rate, non-AMT Replacement and Economic Refunding bonds (est. \$32.4 million);
  2. 2021 Series B will include variable rate, AMT Replacement and Economic Refunding bonds (est. \$8.6 million but no more than \$20 million); and,
  3. A third series may include a taxable component.

# TRANSACTION STRUCTURE: HIGHLIGHTS

<p><b>Replacement Refunding &amp; Lendable Proceeds</b></p>	<ul style="list-style-type: none"> <li>• Replacement Refunding of approximately \$25 million will be issued to (1) repay the Program’s \$10 million draw on the PNC Bank, N.A. Line of Credit (“PNC LOC”) on January 1, 2021 that refunded several series of MRBs, HRBs, and PRBs, and (2) refund additional MRBs, HRBs, and PRBs, scheduled for redemption on July 1, 2021.</li> <li>• Lendable proceeds, as a result of the replacement refunding (totaling approximately \$25 million), will be made available to make low interest rate loans and provide funds for down payment and closing cost assistance for first-time homebuyers.</li> <li>• No volume cap is required for this bond issuance, as no new money bonds are expected to be issued.</li> </ul>
<p><b>Variable Rate Bonds / Liquidity</b></p>	<ul style="list-style-type: none"> <li>• Under current market conditions, the cost of funds will not be low enough to offer a below-market interest rate to first time homebuyers. The 2021 Bonds may include variable rate demand obligations (“VRDOs”), a form of variable debt used by the Commission on prior bond issues to achieve a lower cost of funds. VRDO bonds are long-term debt instruments with interest rates that reset periodically (generally weekly) at a rate that reflects the current market level for short term securities. One of the characteristics of VRDO bonds is the need for liquidity at each periodic remarketing date.</li> <li>• On each remarketing period date, bondholders of the variable rate securities may tender their bonds with certain notice. If those bonds are not bought by another investor, the liquidity provider steps in to purchase the bonds until they may be successfully remarketed to another investor.</li> <li>• The Commission’s financial advisor has identified PNC Bank, N.A., as the liquidity provider for variable 2021 Bonds, as it has provided the lowest bid, 30 basis points (bps), for the liquidity facility. Under current market conditions, the VRDO rate, including liquidity, would be approximately 0.38%. This rate would be reset weekly by a remarketing agent for an additional 8 to 10 bps.</li> <li>• The 1979 Indenture has capacity for additional variable rate debt.</li> <li>• If a sufficiently low cost of funds can be achieved without variable rate debt, an all fixed-rate issue would be considered.</li> </ul>
<p><b>Interest Rate Hedge Agreement (“Swap”)</b></p>	<ul style="list-style-type: none"> <li>• Under current market conditions, the rate on a swap is inefficient and would not result in a materially lower borrowing cost in comparison to fixed rate debt. The Commission will monitor the market for interest rate hedge agreements and, if pricing becomes favorable, will enter into an agreement to hedge any variable rate 2021 Bonds. See page 7 for a discussion on swaps.</li> </ul>

# TRANSACTION STRUCTURE: SWAP OPTION

An interest rate hedge agreement or swap is a mechanism used in variable rate bond transactions to hedge against the rise in interest rates and obtain a fixed rate that is lower than that available in the market. The swap contract is an agreement between two parties that agree to swap interest rates. The parties are the issuer (the Commission) and a Counterparty (a commercial bank). The Commission would issue variable rate bonds and would have an obligation to pay its investors at a floating interest rate. To protect itself against the possibility of the interest rate on those bonds rising, the Commission would agree to pay the Counterparty a fixed rate. The Counterparty, in turn, would assume the variable rate obligation of the Commission. Thus, the Commission has swapped rates with the Counterparty and now has a fixed rate obligation instead of a variable rate obligation. The flow of payments is depicted below:



Currently, relative to an all fixed rate bond issue, the all-in bond yield reduction of using variable rate with a swap for a portion of the structure would be approximately 5 to 15 basis points, depending on the amount of variable/swap used. This is considerably lower than the 20 to 50 basis point benefit that HOC has achieved in recent years when using swaps. Therefore, leaving the 2021 Bonds unhedged leaves open the potential for significantly greater benefit, and introduces a manageable amount of interest rate risk.

***If market conditions shift and the benefit of using a swap improves to historical norms***, staff recommends that the Commission seek entering into a swap agreement with a Moody's highly rated counterparty, such as Bank of America, N.A. (rated Aa2), Wells Fargo, N.A. (rated Aa1) or Royal Bank Canada (rated Aa2). Under such swap agreement, the Commission would pay a fixed rate and receive a floating rate index, such as 100% of SIFMA, 70% of LIBOR, 70% of SOFR or some combination thereof. This may be beneficial for the 2021 Bonds because the lower rate on the portion of the bond issue that will be supported by a swap agreement, may be blended in the entire bond issue to reduce the overall mortgage rates for the program.



# ECONOMIC REFUNDING

The structure of the proposed issuance provides benefits to the Single Family Program because the combined Replacement and Economic Refunding issue permits lending at lower rates, while enabling the Commission to earn full spread on the bond issue.

The table that follows identifies the outstanding bonds in the 2009 Indenture that expect to be Economically Refunded and the total amount of Economic Refunding bonds expected to be issued. Amounts are approximate.

2009 Series C-1	\$4,730,000
2009 Series C-2	\$7,580,000
2009 Series C-3	\$1,880,000
2011 Series A	<u>\$1,795,000</u>
<b>Total Bonds to be Economically Refunded</b>	\$15,985,000
<b>Total Economic Refunding Bonds Issued</b>	\$15,985,000

Using conservative assumptions for structuring and prepayment considerations, the net present value savings from the Economic Refunding over the life of the bonds is expected to be between \$850,000 to \$900,000 (5.3% to 5.7%).

# COST OF ISSUANCE BUDGET

Up to \$50 Million MRB Issuance	AMOUNT
<b>Underwriters Spread</b>	
Underwriters Counsel	50,000
Miscellaneous	95
CUSIP	1,430
DTC	800
Bookrunning	5,275
Takedown	312,500
Management	37,500
<b>Underwriter's Spread - Total</b>	<b>407,600</b>
<b>Other Cost of Issuance</b>	
Bond Counsel	52,000
Financial Advisor	43,750
Financial Advisor - Computer	29,000
Universal cap	19,250
OS printing	2,500
Rating	41,500
Auditor	6,920
Trustee	4,500
Trustee Counsel	8,000
Program Marketing	30,000
Miscellaneous / Disbursements	14,980
<b>Other Cost of Issuance - Total</b>	<b>252,400</b>
<b>TOTAL COST OF ISSUANCE BUDGET</b>	<b>660,000</b>

The cost of the issuance is estimated to be \$660,000 based upon the not-to-exceed bond issuance amount of \$50 million. The amount of the cost of issuance is commensurate with the size of the overall issue of the 2021 Bonds.

As with other transaction costs for the Single Family Program, the cost of issuance is paid from funds available under the 1979 Indenture.

Revenues generated from the issuance of the 2021 Bonds will accumulate over time in the 1979 Indenture.

# SERIES RESOLUTION(S) FOR THE 2021 BONDS

For each bond issue, the Commission is asked to approve one or more Series Resolutions which contain specific information about the series of bonds being issued. A Series Resolution authorizes the issuance of one or more series of bonds defining, among other things, the bonds' purpose, redemption provisions, creation of certain accounts, and use of the bond proceeds.

Bond Counsel of the Commission, Kutak Rock, LLP, will prepare one or more Series Resolutions for the 2021 Bonds.

The Series Resolution(s) will set forth the structure of the bonds as described previously herein. The interest rates on the 2021 Bonds will be determined when the bonds are priced. Currently, the 2021 Bonds are expected to price in June 2021.

# SCHEDULE (SUBJECT TO CHANGE)

## April 2021

- Approval of the Structure, Cost of Issuance Budget and Adoption of Series Resolution(s) for the 2021 Bonds (Development & Finance Committee)
- Draft POS
- Draft Series Resolution(s)

## May 2021

- Approval of the Structure, Cost of Issuance Budget and Adoption of Series Resolution(s) for the 2021 Bonds (Commission)
- Receive Auditor's Consent Letter and Verbal Assurances
- Receive Rating (est. 5/26/2021)
- Post POS (est. 5/27/2021)

## June 2021

- Bond Sale (est. 6/8/2021)
- Clear OS (est. 6/15/2021)
- Closing (est. 6/29/2021)
- Repay PNC LOC
- Redeem Economic Refunded Bonds

## ISSUES FOR CONSIDERATION

Will the Commission approve staff's recommendation, which is supported by the Development & Finance Committee, and :

1. Approve the structure and issuance of the 2021 Bonds under the 1979 Mortgage Revenue Bond Resolution in an amount not to exceed \$50 million in aggregate, of which no more than \$20 million may bear interest at a variable rate?
2. Approve the cost of issuance budget, expected to be approximately \$660,000, to be funded by the 1979 Indenture?
3. Authorize the execution of an interest rate hedge agreement relating to the variable rate 2021 Bonds, subject to prevailing market conditions?
4. Approve the adoption of one or more Series Resolutions authorizing the issuance of the 2021 Bonds?

## PRINCIPALS

- Housing Opportunities Commission of Montgomery County
- Caine Mitter & Associates Incorporated – Financial Advisor
- Kutak Rock, LLP – Bond Counsel
- BofA Securities – Senior Managing Underwriter
- PNC Capital Markets – Co-Senior Managing Underwriter (sole Underwriter of the variable rate 2021 Bonds, if any)
- Chapman and Cutler LLP – Underwriter's Counsel
- Bank of New York Mellon – Trustee

## FISCAL/ BUDGET IMPACT

Expenses of the Single Family Program are borne from excess revenue in the program; therefore, there is no impact on for the Commission's operating budget . Savings from reduced bond cost remain with the indenture.

## TIME FRAME

For formal action at the May 5, 2021 monthly meeting of the Commission.

## STAFF RECOMMENDATION AND COMMISSION ACTION NEEDED

Staff recommends that the Commission:

1. Approve the structure and issuance of the 2021 Bonds under the 1979 Mortgage Revenue Bond Resolution in an amount not to exceed \$50 million in aggregate, of which no more than \$20 million may bear interest at a variable rate.
2. Approve the cost of issuance budget, expected to be approximately \$660,000, to be funded by the 1979 Indenture.
3. Authorize the execution of an interest rate hedge agreement relating to the variable rate 2021 Bonds, subject to prevailing market conditions.
4. Approve the adoption of one or more Series Resolutions authorizing the issuance of the 2021 Bonds.

RESOLUTION: 2021-45A

Re: Approval of Structure, Cost of Issuance Budget and Adoption of Series Resolution for Mortgage Revenue Bonds in Two or More Series or Subseries for the Purpose of Financing New Mortgage Loans and Refunding Prior Bonds of the Commission

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (the “Commission”) is a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law (the “Act”), and authorized thereby to issue its notes and bonds from time to time to fulfill its corporate purposes; and

**WHEREAS**, the Housing Opportunities Commission of Montgomery County has issued various series of Single Family Mortgage Revenue Bonds under the Single Family Bond Resolution originally adopted on March 28, 1979, as amended (the “Bond Resolution”), a portion of which are currently outstanding; and

**WHEREAS**, the Bond Resolution authorizes the Commission to issue its bonds from time to time pursuant to one or more series resolutions in order to obtain funds to carry out its Single Family Mortgage Purchase Program (the “Single Family Program”); and

**WHEREAS**, the Commission desires to reduce its debt service expense in the Single Family Program and to produce low mortgage rates and new mortgage loans for Montgomery County, Maryland first time homebuyers; and

**WHEREAS**, financial market conditions are favorable for refinancing outstanding bond debt and for making mortgage loans to first time homebuyers; and

**WHEREAS**, the Commission has determined to carry out the Single Family Program by issuing its 2021 Single Family Mortgage Revenue Bonds as tax-exempt and/or taxable, fixed rate and/or variable rate obligations, in two or more series beginning with 2021 Series A and 2021 Series B, and with each subsequent series, if any, to follow in alphabetical order (collectively, the “2021 Bonds”) in a total aggregate principal amount not to exceed \$50,000,000; and

**WHEREAS**, in connection with any variable rate 2021 Bonds in an amount not to exceed \$20,000,000 (the “2021 Variable Rate Bonds”) and to mitigate the economic impact on the Commission of potential rises in interest rates, the Commission may purchase an interest rate hedge in the form of a swap agreement (the “Interest Rate Hedge”); and

**WHEREAS**, in connection with the proposed issuance of the 2021 Bonds, the Commission has reviewed the recommended structure and the cost of issuance budget and has been provided with initial drafts of the series resolution(s) to be adopted prior to the issuance of the 2021 Bonds (individually and collectively, the “Series Resolution”), and the initial draft of the preliminary official statement to be provided to prospective purchasers of the 2021 Bonds (the “POS,” and following the sale of the 2021 Bonds and the appropriate revisions reflecting the final pricing and

terms of the 2021 Bonds, the “Official Statement”);

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that:

1. ***The 2021 Bonds.*** The 2021 Bonds are authorized to be issued in a principal amount not to exceed \$50,000,000 (i) to make, purchase or finance newly originated Mortgage Loans (as defined in the Bond Resolution), (ii) to refund and redeem certain bonds outstanding under the Bond Resolution (the “Prior Bonds”), and (iii) if necessary, to fund certain required reserves.

2. ***Approval of the Series Resolution and the Structure of the 2021 Bonds.*** The 2021 Bonds are to be issued pursuant to the terms of the Bond Resolution and pursuant to the terms of the Series Resolution, which have been provided to the Commission. The Commission hereby approves the current provisions of the Series Resolution and the structure of and the security for the 2021 Bonds set forth therein and in the POS. The Executive Director is hereby authorized to approve the final provisions of the Series Resolution, the POS and the Official Statement prior to the issuance of the 2021 Bonds.

3. ***Approval of an Interest Rate Hedge for the 2021 Variable Rate Bonds.*** The Commission hereby authorizes and approves one or more Interest Rate Hedges to be entered into with a qualified counterparty to mitigate against a rise in interest rates, with any scheduled or termination payment owed by the Commission being from the Commission's legally available general funds, subject to agreements now or hereafter made with holders of the Commission's notes and bonds, pledging particular revenues, assets or moneys for the payment thereof, and subject to agreements with governmental agencies or other parties providing funds to the Commission and restricting the uses to which such funds may be applied. The Executive Director is hereby authorized to approve the provisions of the Interest Rate Hedge.

4. ***Commission Documents.*** The Chair, the Vice-Chair, the Chair Pro Tem and the Executive Director of the Commission are hereby authorized and directed to execute and deliver the Series Resolution, the Official Statement, any Interest Rate Hedge and any such other documents and agreements to be prepared in connection with the issuance of the 2021 Bonds (collectively, the “Commission Documents”) in such forms as shall be prepared and approved by the Chair, the Vice Chair, the Chair Pro Tem or the Executive Director, their execution and delivery of the Commission Documents being conclusive evidence of such approval and of the approval of the Commission and the Secretary of the Commission, or any other Authorized Representative (defined below), is hereby authorized and directed to affix the seal of the Commission to the Commission Documents and to attest the same.

5. ***Authorizing Ongoing Determinations under Commission Documents.*** The Executive Director is hereby authorized, without further authority from the Board of Commissioners, to perform any act, to execute any documents, and to make any ongoing determinations as may be required to be made on behalf of the Commission from time to time, including, but not limited to, the determination of other terms to be in effect with respect to the 2021 Bonds as shall be set forth in the Commission Documents.

6. ***Other Action.*** The Chair or Vice Chair or Chair Pro Tem and the Executive



Director of the Commission or a person designated by the Executive Director to act on his behalf (the “Authorized Representative”) are hereby authorized and directed to undertake any other actions necessary (i) for the issuance and sale of the 2021 Bonds, (ii) for the financing of new Mortgage Loans under the Single Family Program, (iii) for the refunding and redemption or repayment of the Prior Bonds, (iv) for the performance of any and all actions required or contemplated under the Bond Resolution, the Series Resolution, the POS, the Official Statement and any other financing documents relating to the issuance of the 2021 Bonds, and (v) for the entire period during which the 2021 Bonds are outstanding following the issuance thereof.

7. ***Approval of Cost of Issuance.*** The Commission approves the cost of issuance budget in an amount up to \$660,000 to be incurred by the Commission in connection with the issuance of the 2021 Bonds.

8. ***Appointment of Financial Advisor and Bond Counsel.*** Caine Mitter & Associates Incorporated is hereby appointed as Financial Advisor, and Kutak Rock LLP, Washington, D.C., is hereby appointed as Bond Counsel in connection with the issuance of the 2021 Bonds.

9. ***Action Approved and Confirmed.*** All acts and doings of the officers of the Commission which are in conformity with the purposes and intent of this resolution and in the furtherance of the issuance and sale of the 2021 Bonds, the financing of newly originated Mortgage Loans approved hereby, the refunding and redemption of the Prior Bonds, the funding of reserves, and the execution, delivery and performance of the Commission Documents authorized hereby are in all respects approved and confirmed.

10. ***Severability.*** If any provision of this resolution shall be held or deemed to be illegal, inoperative or unenforceable, the same shall not affect any other provision or cause any other provision to be invalid, inoperative or unenforceable to any extent whatsoever.

11. ***Effective Date.*** This resolution shall take effect immediately.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on May 5, 2021.

By: \_\_\_\_\_  
Patrice Birdsong  
Special Assistant

[SEAL]

HOUSING OPPORTUNITIES COMMISSION  
OF MONTGOMERY COUNTY

Resolution No. 2021-\_\_

SERIES RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE

OF

\$\_\_\_\_\_ PRINCIPAL AMOUNT OF SINGLE FAMILY  
MORTGAGE REVENUE BONDS, 2021 SERIES A OF THE HOUSING  
OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

Adopted as of June 1, 2021

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Resolution No. 2021-\_\_\_\_\_

SERIES RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE

OF

\$\_\_\_\_\_ PRINCIPAL AMOUNT OF SINGLE FAMILY  
MORTGAGE REVENUE BONDS, 2021 SERIES A OF THE HOUSING  
OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

Adopted as of June 1, 2021

WHEREAS, the Housing Opportunities Commission of Montgomery County (the “Commission”) has previously issued certain Bonds to purchase Mortgage Loans from Mortgage Lenders pursuant to its single family mortgage program under the provisions of Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, and Chapter 41 of the Laws of Montgomery County, 1974, as amended, known as the Housing Opportunity Act, and the Agreement by and between the Commission and Montgomery County, Maryland, effective July 1, 2016, as amended (the “Acts”); and

WHEREAS, the Commission adopted a Single Family Mortgage Revenue Bond Resolution on March 28, 1979, and adopted resolutions amending said Bond Resolution on December 15, 1982, as of August 1, 1983, as of June 1, 1986, as of June 26, 1991, on May 17, 1995, on June 9, 1999, on May 3, 2000, on September 18, 2002, as of December 1, 2005, on April 2, 2008, on December 7, 2011 and on June 5, 2013 (the “Bond Resolution”); and

WHEREAS, in order to obtain funds with which to refund and redeem certain prior outstanding bonds of the Commission and to make certain moneys available to finance additional Mortgage Loans it is deemed necessary and advisable to issue a series of Single Family Mortgage Revenue Bonds of the Commission as hereinafter provided;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, as follows:

**ARTICLE I**

**DEFINITIONS**

**Section 1.01. Definitions.** (a) Except as provided in subsection (b) hereof, all defined terms contained in the Bond Resolution when used in this 2021 Series A Resolution shall have the same meanings as set forth in the Bond Resolution.

(b) As used in this 2021 Series A Resolution, unless the context shall otherwise require, the following terms shall have the following respective meanings:

“*Bond Counsel*” means one or more attorneys or firms of attorneys with a nationally recognized standing in the field of municipal bond financings selected by the Commission.

“*Business Day*” means any day other than a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of New York or in which the designated corporate trust office of the Trustee is located, are authorized by law to close, or a day on which the New York Stock Exchange is closed.

“*Electronic Means*” means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

“*Interest Payment Date*” means each January 1 and July 1, commencing January 1, 2022.

“*1954 Code*” means the Internal Revenue Code of 1954, as amended, and the regulations of the United States Department of Treasury thereunder.

“*1986 Code*” means the Internal Revenue Code of 1986, as amended, and the regulations of the United States Department of Treasury thereunder.

“*No Arbitrage Certificate*” means the No Arbitrage Certificate, dated June \_\_\_\_, 2021 relating to the 2021 Series Bonds.

“*Record Date*” means the 15<sup>th</sup> day of the calendar month next preceding each Interest Payment Date.

“*Series A Refunded Bonds*” means the Commission’s Single Family Mortgage Revenue Bonds, in the aggregate principal amount of \$\_\_\_\_\_, of the series and in the specific amounts set forth in Section 3.04 hereof.

“*Single Family Residence*” has the meaning ascribed to such term in the Financing Agreement.

“*2021 Series A Bonds*” means the Commission’s Single Family Mortgage Revenue Bonds, 2021 Series B, in the aggregate principal amount of \$\_\_\_\_\_, authorized under the 2021 Series B Resolution.

“*2021 Series A PAC Bonds*” has the meaning ascribed to such term in Section 2.11(c) hereof.

“*2021 Series A Resolution*” means this 2021 Series A Resolution of the Commission authorizing the issuance of the 2021 Series A Bonds.

“*2021 Series A Mortgage Loan Account*” means the Account created pursuant to Section 3.01 hereof.

“2021 Series A Rebate Account” means the Account created pursuant to Section 3.02 hereof.

“2021 Series A Refunding Account” means the Account created pursuant to Section 3.02 hereof.

“2021 Series B Bonds” means the Commission’s Single Family Mortgage Revenue Bonds, 2021 Series B, in the aggregate principal amount of \$\_\_\_\_\_.

“2021 Series B Resolution” means the Series Resolution of the Commission authorizing the issuance of the 2021 Series B Bonds.

“2021 Series Bonds” means, collectively, the 2021 Series A Bonds and the 2021 Series B Bonds.

The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this 2021 Series A Resolution, refer to this 2021 Series A Resolution.

**Section 1.02. Authority for This 2021 Series A Resolution.** This 2021 Series A Resolution is adopted pursuant to the provisions of the Acts and the Bond Resolution.

## ARTICLE II

### AUTHORIZATION, TERMS AND ISSUANCE OF 2021 SERIES A BONDS

**Section 2.01. Authorization of Bonds, Principal Amount, Designation and Series.** In order to provide sufficient funds necessary for the refunding and redemption of the Series A Refunded Bonds and to finance Mortgage Loans or Guaranteed Mortgage Securities pursuant to the Acts and in accordance with and subject to the terms, conditions and limitations established in the Bond Resolution and this 2021 Series A Resolution, the 2021 Series A Bonds are hereby authorized to be issued. The 2021 Series A Bonds in the aggregate principal amount of \$\_\_\_\_\_ will be entitled “Single Family Mortgage Revenue Bonds,” and such Series of Bonds shall bear the additional designation “2021 Series A” and each Bond as so designated shall be entitled “Single Family Mortgage Revenue Bond, 2021 Series A.” The 2021 Series A Bonds are to be substantially in the form attached to this 2021 Series A Resolution as Exhibit B, with appropriate variations, omissions and insertions as permitted or required by the Bond Resolution.

**Section 2.02. Purposes.** The purposes for which the 2021 Series A Bonds are being issued are (i) to apply the proceeds of the 2021 Series A Bonds to make \$\_\_\_\_\_, available for the purchase of newly originated Mortgage Loans and Guaranteed Mortgage Securities (or participations therein) to finance single family owner-occupied housing, subject to the limitations and provisions provided in Article V of the Bond Resolution and (ii) to refund and redeem \$\_\_\_\_\_ aggregate principal amount of the Series A Refunded Bonds.

A more detailed description of the refunding occurring in connection with the issuance of the 2021 Series Bonds and the use of funds made available from the issuance of the 2021 Series



Bonds and such refundings is included in the Commission's No Arbitrage Certificate relating to the 2021 Series Bonds dated June \_\_\_\_, 2021.

**Section 2.03. *Issue Date and Payment.*** The 2021 Series A Bonds shall be dated the date of delivery and authentication thereof. The 2021 Series A Bonds will bear interest from the date of delivery thereof, payable semiannually on January 1 and July 1 of each year, commencing January 1, 2022. Interest on the 2021 Series A Bonds shall be paid by check to the registered owners at their addresses as they appear as of the close of business on the Record Date on the registration books of the Commission maintained by The Bank of New York Mellon Trust Company, N.A., as trustee and registrar (the "Trustee") or a successor thereto, or at such other addresses as are furnished to the Trustee in writing by such registered owners on or prior to the Record Date or, upon timely written request of a registered owner of 2021 Series A Bonds and payment of any applicable transfer fee, by wire transfer from the Trustee to the registered owner thereof. Principal of, redemption premium, if any, and interest due at maturity or upon redemption or purchase of the 2021 Series A Bonds will be payable at the designated corporate trust office of the Trustee at maturity or earlier redemption or purchase.

**Section 2.04. *The 2021 Series A Bonds.***

(a) The 2021 Series A Bonds shall mature on the dates and in the principal amounts and shall bear interest at the rates per annum as follows:

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**2021 Series A Bonds**

\$ \_\_\_\_\_ **Serial Bonds**

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
[January 1, 2026	\$	%
July 1, 2026		
January 1, 2027		
July 1, 2027		
January 1, 2028		
July 1, 2028		
January 1, 2029		
July 1, 2029		
January 1, 2030		
July 1, 2030		
January 1, 2031		
July 1, 2031]		

**2021 Series A Bonds**

\$ \_\_\_\_\_ **Term Bonds**

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
[July 1, 2034	\$	%
July 1, 2039		
July 1, 2043		
July 1, 2049]		

**Section 2.05. Original Reoffering Price.** The Original Reoffering Price of the 2021 Series A Bonds shall be \$\_\_\_\_\_.

**Section 2.06. Denominations, Numbers and Letters.** The 2021 Series A Bonds shall be issued as fully registered Bonds without coupons. The 2021 Series A Bonds shall be issued in the denominations of \$5,000 each or any integral multiple thereof. The 2021 Series A Bonds shall be numbered consecutively from one upwards with the prefix RA preceding each number.

**Section 2.07. Exchange of 2021 Series A Bonds.** Subject to the limitations and upon payment of the charges provided in the Bond Resolution, the 2021 Series A Bonds, upon surrender thereof at the designated corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner thereof or by his or her attorney duly authorized in writing, may be exchanged, at the option of the registered owner thereof, for a like aggregate principal amount of registered 2021 Series A Bonds without coupons of other authorized denominations of the same series and the same maturity. None of the 2021 Series A Bonds may be exchanged for coupon Bonds.

**Section 2.08. *Trustee, Registrar and Paying Agent.*** The Bank of New York Mellon Trust Company, N.A., is hereby appointed the Trustee, Registrar and Paying Agent of the 2021 Series A Bonds.

**Section 2.09. *Redemption from Special Redemption Account.*** (a) The 2021 Series A Bonds are subject to redemption at the option of the Commission, in whole or in part, at any time, from moneys deposited in the 2021 Series A Mortgage Loan Account and not used to make or purchase Mortgage Loans or purchase Guaranteed Mortgage Securities, at a price equal to, (i) for the 2021 Series A PAC Bonds, at the respective redemption prices (expressed as percentages of the respective principal amounts thereof) set forth in Exhibit A attached hereto, plus accrued interest thereon, if any, to the date fixed for redemption, and (ii) for all other 2021 Series A Bonds, at the principal amount thereof plus accrued interest, if any, to the redemption date without premium, calculated as of the redemption date.

The 2021 Series A Bonds are subject to redemption at the option of the Commission, in whole or in part, at any time, at a price equal to the principal amount thereof plus accrued interest thereon, if any, to the date fixed for redemption, from Revenues relating to any Series of Bonds (primarily payments of principal and interest and Prepayments of principal on Mortgage Loans and Guaranteed Mortgage Securities and earnings on Permitted Investments) and any amounts available as a result of a reduction in the reserve requirements established pursuant to the Resolutions, which are in excess of the amount required to pay principal of and interest on the Bonds in the then current year.

The 2021 Series A Bonds are subject to redemption in part from a portion of the moneys on deposit in the 2021 Series A Mortgage Loan Account in the amount of \_\_\_\_\_, if such moneys are not applied to the purchase of Mortgage Loans or Guaranteed Mortgage Securities by the date set forth in the final cash flows prepared for the issuance of the 2021 Series A Bonds, unless the Commission prepares cash flows reflecting a later acquisition period and receives confirmation from any rating agency that has an outstanding rating on the 2021 Series A Bonds, at the Commission's request, that the rating on the Bonds will not be lowered or withdrawn.

To comply with certain provisions of federal tax law, \$\_\_\_\_\_ of the funds deposited in the 2021 Series A Mortgage Loan Account are required to be applied to the redemption of the 2021 Series A Bonds no later than \_\_\_\_\_ to the extent that, on or before such date, such amount has not been applied to the purchase of Mortgage Loans and Guaranteed Mortgage Securities or to the earlier redemption of the 2021 Series A Bonds. In addition, the following percentages of scheduled payments and Prepayments of principal of Mortgage Loans and Guaranteed Mortgage Securities financed with the proceeds of the 2021 Series A Bonds received on or after the following dates, are required to be applied no later than the close of the first semi-annual period beginning after the date of receipt to the retirement of the 2021 Series A Bonds through the payment thereof at maturity or upon redemption.

<u>Date</u>	<u>Percent</u>	<u>Date</u>	<u>Percent</u>
June ____, 2021	%		%

The Commission may redeem the 2021 Series A Bonds, including the 2021 Series A PAC Bonds (but only to the extent as described herein) in amounts greater than such percentages from available amounts in the Revenue Fund.

(b) An amount equal to 100% of Prepayments of Mortgage Loans and Guaranteed Mortgage Securities financed with the proceeds of the 2021 Series A Bonds will be applied at least once during each semi-annual period to the redemption of the 2021 Series A PAC Bonds at par in an amount up to the cumulative amounts set forth in the following table, prior to the redemption of other 2021 Series A Bonds.

<u>Semi-Annual</u>	<u>Cumulative Amount</u>	<u>Semi-Annual</u>	<u>Cumulative Amount</u>
<u>Period Ending</u>		<u>Period Ending</u>	
	\$		\$

Such cumulative amounts are derived from certain assumptions related to the Mortgage Loans and Guaranteed Mortgage Securities financed with the proceeds of the 2021 Series A Bonds, including the assumptions that all such newly purchased Mortgage Loans and Guaranteed Mortgage Securities are purchased by \_\_\_\_\_ and Prepayments on all such Mortgage Loans and Guaranteed Mortgage Securities are received at a rate equal to 100% of the Securities Industry and Financial Markets Association Standard Prepayment Model (the "SIFMA Model," as described below) and that 100% of such Prepayments will be used to redeem the 2021 Series A PAC Bonds. Prepayments of Mortgage Loans and Guaranteed Mortgage Securities will be applied to the redemption of the 2021 Series A PAC Bonds, but only to the extent that such redemptions do not exceed the cumulative amounts set forth in the above table (provided that such prepayments may be applied to the redemption of 2021 Series A PAC Bonds in excess of such cumulative amounts if such redemption is necessary to preserve the tax-exempt status of the 2021 Series A Bonds). If the 2021 Series A Bonds are redeemed from moneys deposited in the 2021 Series A Mortgage Loan Account and not used to make or purchase Mortgage Loans or purchase Guaranteed Mortgage Securities, then the amount of the 2021 Series A PAC Bonds redeemed will be proportional to the total amount of 2021 Series A Bonds being redeemed, and each cumulative amount set forth in the table above will be recalculated to be equal to the product of (1) such amount and (2) the fraction whose numerator is equal to the remainder of (a) the total amount originally deposited in the 2021 Series A Mortgage Loan Account less (b) the cumulative amount of the proceeds of the 2021 Series A Bonds that have been used to so redeem

the 2021 Series A Bonds, and whose denominator is equal to the total amount originally deposited in the 2021 Series A Mortgage Loan Account. If the amount available for such redemption is less than \$100,000, the Commission may delay redemption of the 2021 Series A PAC Bonds until the amount of Prepayments available totals \$100,000 or more.

Prepayments of Mortgage Loans and Guaranteed Mortgage Securities financed with the proceeds of the 2021 Series A Bonds in excess of the aggregate amounts set forth in the table above and up to the cumulative amounts set forth in the following table, will be applied to the redemption at par of the 2021 Series A Bonds, excluding the 2021 Series A PAC Bonds (provided that such prepayments may be used to redeem the 2021 Series A PAC Bonds, if such redemption is necessary to preserve the tax-exempt status of the 2021 Series A Bonds). Prepayments in excess of cumulative amounts set forth in the following table may be applied by the Commission to the redemption of the 2021 Series A Bonds, including the 2021 Series A PAC Bonds. The cumulative amounts in the following table are derived from certain assumptions related to Mortgage Loans and Guaranteed Mortgage Securities financed with the proceeds of the 2021 Series A Bonds including the assumptions that newly-purchased Mortgage Loans and Guaranteed Mortgage Securities, or participations therein, are purchased by \_\_\_\_\_ and prepayments on all such Mortgage Loans and Guaranteed Mortgage Securities are received at a rate equal to 400% of the SIFMA Model. If the 2021 Series A Bonds are redeemed from moneys deposited in the 2021 Series A Mortgage Loan Account and not used to make or purchase Mortgage Loans or purchase Guaranteed Mortgage Securities, each cumulative amount set forth in the table below will be recalculated to be equal to the product of (1) such amount and (2) the fraction whose numerator is equal to the remainder of (a) the total amount originally deposited in the 2021 Series A Mortgage Loan Account less (b) the cumulative amount of the proceeds of the 2021 Series A Bonds that have been used to so redeem the 2021 Series A Bonds, and whose denominator is equal to the total amount originally deposited in the 2021 Series A Mortgage Loan Account.

<u>Semi-Annual Period Ending</u>	<u>Cumulative Amount</u>	<u>Semi-Annual Period Ending</u>	<u>Cumulative Amount</u>
	\$		\$

**Section 2.10. Redemption from Optional Redemption Account.** (a) The 2021 Series A Bonds maturing on or after \_\_\_\_\_ are subject to redemption or purchase in lieu of redemption, at the option of the Commission, from moneys in the Optional Redemption Account in the Redemption Fund, in whole or in part, at any time on or after \_\_\_\_\_, at one hundred percent (100%) of the principal amount thereof, plus accrued interest thereon, if any, to the redemption or purchase date, plus accrued interest, if any to the redemption date.

To exercise the option to purchase the 2021 Series A Bonds in lieu of redemption pursuant to this section, the Commission shall deliver written notice thereof to the Trustee no

later than 12:00 Noon, New York City Time, on the date the 2021 Series A Bonds would otherwise have been redeemed (the “Purchase-in-Lieu Date”), and the Commission shall transfer or cause to be transferred to the Trustee the moneys required to purchase the 2021 Series A Bonds no later than 12:00 Noon, New York City Time, on such Purchase-in-Lieu Date. If notice of redemption has been given as required under the Bond Resolution, no additional notice to the Bondholders shall be required to be given of the exercise by the Commission of the option to purchase 2021 Series A Bonds pursuant to this Section. All 2021 Series A Bonds shall be deemed to have been purchased on the Purchase-in-Lieu Date provided funds sufficient to purchase the 2021 Series A Bonds on the Purchase-in-Lieu Date have been deposited with the Trustee, and from and after such Purchase-in-Lieu Date, interest shall cease to accrue on the 2021 Series A Bonds to the prior Bondholders, and the prior owners thereof shall have no rights with respect to such 2021 Series A Bonds except to receive payment of the purchase price thereof and accrued interest to the Purchase-in-Lieu Date. Notwithstanding such purchase, the 2021 Series A Bonds shall remain Outstanding for all purposes under this 2021 Series A Resolution and the Bond Resolution. Failure to mail the related notice of redemption or any defect therein shall not affect the validity of the purchase of the 2021 Series A Bonds. The Commission’s notice of purchase in lieu of redemption may be conditioned upon receipt of funds by the Trustee or may be withdrawn at any time as specified therein. The Commission’s notice of purchase in lieu of redemption may be given in conjunction with a notice of redemption given pursuant to the Bond Resolution, in which case it shall so state and shall provide that a withdrawal of the purchase notice will not constitute a withdrawal of the redemption notice unless otherwise specified therein.

**Section 2.11. Redemption from Sinking Fund Installments.** (a) The 2021 Series A Bonds maturing on \_\_\_\_\_ are subject to mandatory redemption in part by lot on \_\_\_\_\_ and on each July 1 and January 1 thereafter, to and including \_\_\_\_\_, at the principal amount thereof, plus accrued interest thereon to the redemption date, in the years and principal amounts as follows:

<u>Year</u>	Principal Amount (January)	Principal Amount (July)	<u>Year</u>	Principal Amount (January)	Principal Amount (July)
	\$	\$		\$	\$ (maturity)

(b) The 2021 Series A Bonds maturing on \_\_\_\_\_ are subject to mandatory redemption in part by lot on \_\_\_\_\_ and on each July 1 and January 1 thereafter, to and including \_\_\_\_\_, at the principal amount thereof, plus accrued interest thereon to the redemption date, in the years and principal amounts as follows:

<u>Year</u>	Principal Amount (January)	Principal Amount (July)	<u>Year</u>	Principal Amount (January)	Principal Amount (July)
	\$	\$		\$	\$

(maturity)

(c) The 2021 Series A Bonds maturing on \_\_\_\_\_ are subject to mandatory redemption in part by lot on \_\_\_\_\_ and on each July 1 and January 1 thereafter, to and including \_\_\_\_\_, at the principal amount thereof, plus accrued interest thereon to the redemption date, in the years and principal amounts as follows:

<u>Year</u>	Principal Amount (January)	Principal Amount (July)	<u>Year</u>	Principal Amount (January)	Principal Amount (July)
	\$	\$		\$	\$

(maturity)

(d) The 2021 Series A Bonds maturing on \_\_\_\_\_ are subject to mandatory redemption in part by lot on \_\_\_\_\_ and on each January 1 and July 1 thereafter, to and including \_\_\_\_\_, at the principal amount thereof, plus accrued interest thereon to the redemption date, in the years and principal amounts as follows:

<u>Year</u>	Principal Amount (January)	Principal Amount (July)	<u>Year</u>	Principal Amount (January)	Principal Amount (July)
	\$	\$		\$	\$

(maturity)

**Section 2.12. Reserved.**

**Section 2.13. Issue and Sale of 2021 Series A Bonds.** The 2021 Series A Bonds authorized to be issued herein shall be sold to BofA Securities, Inc., PNC Capital Markets LLC, M&T Securities Inc., Morgan Stanley & Co., RBC Capital Markets, LLC and Wells Fargo Bank, National Association (collectively, the “Underwriters”) at the aggregate price of \$\_\_\_\_\_ on the terms and conditions set forth in the Contract of Purchase dated \_\_\_\_\_, 2021, by and between the Underwriters and the Commission (the “Contract of Purchase”). The Underwriters will receive an underwriting fee of \$\_\_\_\_\_ relating to the sale of the 2021

Series A Bonds. Kutak Rock LLP, Washington, D.C., is hereby appointed as Bond Counsel in connection with the issuance of the 2021 Series A Bonds.

**Section 2.14. *Delivery of 2021 Series A Bonds.*** (a) The 2021 Series A Bonds shall be delivered, upon compliance with the provisions of the Bond Resolution to the order of the Underwriters named in Section 2.13 hereof, at such time and place as provided in, and subject to, the provisions of the Contract of Purchase.

(b) The Commission adopts the expectations, beliefs, assumptions and representations expressed and made on behalf of the Commission in the Preliminary Official Statement relating to the 2021 Series Bonds dated \_\_\_\_\_ and in the Official Statement relating to the 2021 Series Bonds, dated \_\_\_\_\_ (the “Official Statement”) and hereby ratifies the Underwriters’ use and distribution of the Preliminary Official Statement in selling the 2021 Series Bonds.

(c) The execution and distribution of the Official Statement and the execution of the Contract of Purchase are hereby approved and ratified.

(d) The Executive Director, Chair, Vice-Chair or Chair pro tem are authorized to make such changes, deletions and additions to the provisions of this 2021 Series A Resolution, consistent with the purposes of this 2021 Series A Resolution, as they deem necessary or advisable to issue the 2021 Series A Bonds.

**Section 2.15. *Further Authority.*** The Chair, Vice-Chair, Chair pro tem and Executive Director of the Commission are, and each of them is, hereby authorized to do or perform all such acts and to execute all such certificates, documents and other instruments as they or either of them deem necessary or advisable to provide for the issuance, sale and delivery of the 2021 Series A Bonds.

**Section 2.16. *Trustee Authority to Facilitate Use of Securities Depository.*** The authorized officers of the Trustee are, and each of them is, hereby authorized to do or perform such acts and to execute all such certificates, documents and other instruments as they or any of them deem necessary or advisable to facilitate the efficient use of a securities depository for all or any portion of the 2021 Series A Bonds; provided that neither the Trustee nor the Commission may assume: (i) any obligations to such securities depository or beneficial owners of Bonds that are inconsistent with their obligations to any registered bondholder under this 2021 Series A Resolution or the Bond Resolution or (ii) any obligation which would directly or indirectly create obligations on the part of the Trustee or the Commission to persons who own 2021 Series A Bonds or interests therein but who are not registered owners of 2021 Series A Bonds, unless the Commission shall have consented in writing to such obligations.

**Section 2.17. *Special Procedures Relating to Partial Redemptions.*** Notwithstanding the provisions of Section 4.05 of the Bond Resolution, the Commission, with the prior written consent of the Trustee, may enter into an agreement with an owner of any 2021 Series A Bond having a denomination greater than \$5,000 providing that such registered owner is authorized to effect a reduction in the face amount of such 2021 Series A Bond by making a notation indicating the principal amount of such redemption and the date thereof on the payment grid



attached to such 2021 Series A Bond in lieu of surrendering such 2021 Series A Bond to the Trustee for cancellation and the issuance of a new bond or bonds in the amount of the unredeemed portion thereof in accordance with Section 4.05 of the Bond Resolution. If the Commission and an owner enter into such an agreement, the records of the Trustee shall be conclusive in determining the outstanding principal amount of any 2021 Series A Bond affected by the agreement, notwithstanding the failure of the owner to make any notation on the payment grid attached to such 2021 Series A Bond of the redemption of a portion thereof, and shall be binding upon the owner, any heirs, personal representatives, successors or assigns, or any transferee or purchaser of such 2021 Series A Bond. If the Commission enters into such an agreement with such an owner of any 2021 Series A Bond, a notation of the effect of such agreement may be inserted in the form of any 2021 Series A Bond to be delivered to such owner.

### ARTICLE III

#### 2021 SERIES A BONDS

**Section 3.01. *Establishment of 2021 Series A Mortgage Loan Account.*** There is hereby established an account designated as the 2021 Series A Mortgage Loan Account, moneys in which shall be used for the purposes and as authorized by Section 5.03 of the Bond Resolution and this 2021 Series A Resolution. In addition, the Commission acknowledges that the 2021 Series A Bonds have been structured to have certain redemption priorities and protections, and the Commission covenants to apply moneys in the 2021 Series A Mortgage Loan Account to effect such priorities and protections.

**Section 3.02. *Establishment of 2021 Series A Refunding Account and 2021 Series A Rebate Account.*** (a) There is hereby established a special account separate from all other funds and accounts, irrevocably in trust for, and assigned to, the Holders of the Series A Refunded Bonds, designated as the 2021 Series A Refunding Account, moneys in which shall be used to pay the principal of the Series A Refunded Bonds upon redemption as provided in Section 3.04 hereof and for such other purposes as authorized by the Bond Resolution and this 2021 Series A Resolution.

(b) There is hereby established a special account separate from all other funds and accounts, designated as the 2021 Series A Rebate Account, as authorized by Section 5.01 of the Bond Resolution, moneys in which shall be used to pay rebate to the United States as provided in Section 3.05 hereof.

**Section 3.03. *Application of Proceeds of the 2021 Series A Bonds.*** The Trustee shall apply the proceeds of the 2021 Series A Bonds as follows:

(a) \$\_\_\_\_\_, representing a portion of the proceeds of the 2021 Series A Bonds shall be deposited into the 2021 Series A Mortgage Loan Account.

(b) \$\_\_\_\_\_, representing the remaining portion of the 2021 Series A Bonds shall be deposited into the 2021 Series A Refunding Account.

(c) On \_\_\_\_\_, 2021, the Trustee is hereby directed to transfer for deposit to the Special Redemption Account, established pursuant to Section 6.01 of the Bond

Resolution, amounts on deposit in the 2021 Series A Refunding Account for application to the refunding and redemption of the Series A Refunded Bonds in accordance with Section 3.04(b) hereof on \_\_\_\_\_, 2021.

(d) No amount of the proceeds of the 2021 Series A Bonds shall be deposited in the Debt Service Reserve Fund.

(e) No amount of the proceeds of the 2021 Series A Bonds shall be deposited in the Mortgage and Special Hazard Reserve Fund.

(f) The Commission covenants to use its best efforts to apply the proceeds of or relating to the 2021 Series A Bonds in the 2021 Series A Mortgage Loan Account to make or purchase Mortgage Loans or Guaranteed Mortgage Securities, provided, however, that nothing herein shall prohibit the Commission’s use of moneys in any Mortgage Loan Account if necessary to maintain the tax-exempt status of the 2021 Series A Bonds or to best achieve the objectives of the Program. In addition, the Commission acknowledges that the 2021 Series A Bonds have been structured to have certain redemption priorities and protections, and the Commission covenants to apply moneys in the 2021 Series A Mortgage Loan Account to effect such priorities and protections.

(g) No amount of the proceeds of the 2021 Series A Bonds shall be used to pay the costs of issuing the 2021 Series A Bonds.

**Section 3.04. Refunding and Redemption.** (a) The Commission hereby authorizes the Trustee, in its capacity as trustee for the Series A Refunded Bonds, to apply the amounts on deposit in the 2021 Series A Refunding Account portion of the moneys delivered to it pursuant to Section 3.03(c) hereof to the payment of the redemption price of an equal principal amount of the following Series A Refunded Bonds on \_\_\_\_\_, 2021:

<u>Series of Bonds</u>	<u>Amount</u>
Total	\$

(b) The Commission hereby notifies the Trustee that sufficient moneys are being deposited on the date of issuance of the 2021 Series A Bonds into the 2021 Series A Refunding Account so that such moneys will be sufficient to pay the principal of the Series A Refunded Bonds being redeemed on \_\_\_\_\_.

(c) The Commission hereby authorizes and directs the Trustee in its capacity as trustee for the Series A Refunded Bonds to pay the principal of the Series A Refunded Bonds being redeemed on \_\_\_\_\_, 2021 from the proceeds of the 2021 Series A Bonds transferred to the Trustee pursuant to Section 3.03(c) hereof.

**Section 3.05. Restriction as to “Arbitrage Bonds.”** The Commission shall not use or direct or permit the use of the proceeds of the 2021 Series A Bonds or any other moneys held under the Bond Resolution or this 2021 Series A Resolution in any manner that would cause the 2021 Series A Bonds to be “arbitrage bonds” within the meaning ascribed to such quoted term in the 1986 Code. The Commission covenants that there shall be paid from time to time all

amounts required to be rebated to the United States pursuant to Section 148(f) of the 1986 Code. This covenant shall survive payment in full or defeasance of the 2021 Series A Bonds. Money shall be deposited to the 2021 Series A Rebate Account by the Commission or by the Trustee at the written direction of the Commission and shall be held by the Trustee to the extent required to make the necessary payments to the United States pursuant to Section 148(f) of the 1986 Code. Upon receipt of the Commission's written directions, the Trustee shall remit part or all of the balances in the 2021 Series A Rebate Account to the United States as so directed. Any funds remaining in the 2021 Series A Rebate Account after redemption and payment of all of the 2021 Series A Bonds and payment and satisfaction of any requirement to make payment to the United States pursuant to Section 148(f) of the 1986 Code, or provision for payment made satisfactory to the Trustee, shall be withdrawn and remitted to the Commission.

**Section 3.06. *Special Tax Covenants.*** (a) The Commission hereby covenants: (i) to take all steps and actions necessary to assure the successful operation of the Program in a manner consistent with the preservation of the exclusion of the interest payable on the 2021 Series A Bonds from gross income under Sections 103 and 143(e) and (f) of the 1986 Code and 103A of the 1954 Code, (ii) to take all steps and actions necessary to preserve the exclusion of the interest payable on the 2021 Series A Bonds from gross income under Sections 103 and 143(e) and (f) of the 1986 Code and 103A of the 1954 Code and (iii) to refrain from taking any steps or actions that would impair or call into question the exclusion of the interest payable on the 2021 Series A Bonds from gross income under Sections 103 or 143(e) and (f) of the 1986 Code or 103A of the 1954 Code.

(b) The Commission covenants not to use the proceeds of the 2021 Series A Bonds to finance a Single Family Residence unless:

(1) The acquisition cost (within the meaning of Section 143(e) of the 1986 Code) of such Single Family Residence does not exceed 90% of the average area purchase price applicable to such Single Family Residence at the time of the financing of the Mortgage Loan, which average area purchase prices are set forth in Revenue Procedure 88-48 for the current period, unless such Single Family Residence is located in a Targeted Area, in which case the acquisition cost (within the meaning of Section 143 of the 1986 Code) may not exceed 110% of the average area purchase price applicable to such Single Family Residence; and

(2) The current annual income of the family using or intending to use the Single Family Residence as its principal residence does not exceed 115% (100% for families of less than three individuals) of the median gross income for the area in which such Single Family Residence is located, in accordance with regulations issued pursuant to Section 8 of the United States Housing Act of 1937.

These covenants may be modified from time to time pursuant to written instructions as delivered to the Trustee by the Commission, accompanied by an opinion of Bond Counsel permitting such modifications.

**Section 3.07. *Covenant for Use of Prepayments.*** Subject to the provisions of Section 2.09 hereof, the Commission will apply repayments and prepayments of principal of Mortgage

Loans or Guaranteed Mortgage Securities financed from the issuance of the 2021 Series A Bonds that, under the Code, are not permitted to be used to finance additional Mortgage Loans or Guaranteed Mortgage Securities to the redemption of the 2021 Series A Bonds.

#### ARTICLE IV

##### DETERMINATIONS REQUIRED BY THE BOND RESOLUTION

**Section 4.01. *Determination Concerning the Debt Service Reserve Fund.*** In compliance with Section 2.02 of the Bond Resolution, the Commission determines that the amount in the Debt Service Reserve Fund is sufficient to maintain a balance therein equal to the Debt Service Reserve Requirement, computed with reference to all Outstanding Bonds and to the 2021 Series A Bonds authorized hereunder.

**Section 4.02. *Determination Concerning the Issuance of the 2021 Series A Bonds.*** In compliance with Section 2.02 of the Bond Resolution, the Commission determines that the 2021 Series A Bonds will not adversely affect the ability of the Commission to purchase Mortgage Loans or Guaranteed Mortgage Securities with the proceeds of Outstanding Bonds previously issued.

#### ARTICLE V

[RESERVED]

#### ARTICLE VI

##### MISCELLANEOUS

**Section 6.01. *Continuing Disclosure.*** The Commission agrees to comply with and carry out the provisions of the Continuing Disclosure Agreement dated as of June \_\_, 2021 by and between the Commission and The Bank of New York Mellon Trust Company, N.A., as dissemination agent, and any other information filings required by federal securities laws.

**Section 6.02. *Unclaimed Moneys.*** In the event any 2021 Series A Bond is not presented for payment when the principal of any such Bond becomes due, either at maturity or at the date fixed for redemption of such Bond or otherwise, if amounts sufficient to pay such 2021 Series A Bond have been deposited with the Trustee for the benefit of the owners of such Bond and have remained unclaimed for 5 years after such principal has become due and payable, either at the stated maturity date thereof or by call for earlier redemption, then such amounts shall, at the request of the Commission, be repaid by the Trustee to the Commission, as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the Commission for the payment of such 2021 Series A Bonds, as the case may be; provided, however, that the Trustee, before being required to make any such payment to the Commission shall, at the expense of the Commission, cause to be published, at least twice, at an interval of not less than 7 days between publications, in Authorized Newspapers, notice that such moneys remain unclaimed and that, after a date

specified in such notice, which will not be less than 30 days from the date of such publication, any unclaimed balance of such moneys then remaining will be paid to the Commission. The obligation of the Trustee under this Section to pay any such amounts to the Commission will be subject to any provisions of law applicable to the Trustee or to such amounts providing other requirements for disposition of unclaimed property.

**Section 6.03. *Electronic Means.*** The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”) given pursuant to the Bond Resolution and this Series Resolution and delivered using Electronic Means; provided, however, that the Commission shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions (“Authorized Officers”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Commission whenever a person is to be added or deleted from the listing. If the Commission elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee’s understanding of such Instructions shall be deemed controlling. The Commission understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Commission shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Commission and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Commission. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Commission agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Commission; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

**Section 6.04. *Severability.*** If any provision of this 2021 Series A Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

**Section 6.05. *Applicable Provisions of Law.*** This 2021 Series A Resolution shall be governed by and construed in accordance with the laws of the State of Maryland.

HOUSING OPPORTUNITIES COMMISSION  
MONTGOMERY COUNTY

[SEAL]

By: \_\_\_\_\_  
Roy O. Priest  
Chair

ATTEST:

By: \_\_\_\_\_  
Stacy L. Spann  
Secretary-Treasurer

[SIGNATURE PAGE TO 2021 SERIES A RESOLUTION]

**EXHIBIT A**

**REDEMPTION PRICE TABLE FOR CERTAIN REDEMPTIONS**

The 2021 Series A PAC Bonds that are redeemed from unexpended proceeds as set forth in Section 2.09 of the foregoing Series Resolution will be redeemed at the respective redemption prices (expressed as percentages of the principal amounts) set forth below.

<b><u>Redemption Dates</u></b>	<b><u>Redemption Prices</u></b>
Date of Delivery	%

The applicable redemption price for any date other than those above will be determined by the Commission using straight-line interpolation between the respective redemption prices for the immediately preceding and succeeding dates, based on the number of days between such dates.

**EXHIBIT B**

**FORM OF 2021 SERIES A BOND**

UNITED STATES OF AMERICA  
STATE OF MARYLAND  
HOUSING OPPORTUNITIES COMMISSION  
OF MONTGOMERY COUNTY

Single Family Mortgage Revenue Bond  
2021 Series A

NO. RA- \_\_\_\_\_ \$ \_\_\_\_\_

INTEREST RATE: \_\_\_\_\_ % MATURITY DATE: \_\_\_\_\_ DATED DATE: June \_\_\_\_\_, 2021 CUSIP: \_\_\_\_\_

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

KNOW ALL PERSONS BY THESE PRESENTS that the Housing Opportunities Commission of Montgomery County, a public body corporate and politic of the State of Maryland (the "Commission"), for value received, promises to pay from the sources and as hereinafter provided, to the Registered Owner identified above or registered assigns, on the Maturity Date identified above, the Principal Amount identified above, and in like manner to pay interest on said sum from the Dated Date identified above, at the Interest Rate per annum identified above, semiannually on January 1 and July 1 of each year, commencing January 1, 2022 (the "Interest Payment Date"), until said Principal Amount is paid, except as the provisions hereinafter set forth with respect to redemption of this Bond before maturity may become applicable hereto. Interest on this Bond is payable by check mailed to the Registered Owner hereof as his or her name and address appear, as of the close of business on the 15<sup>th</sup> day of the month next preceding each Interest Payment Date (the "Record Date"), on the registration books of the Commission maintained by The Bank of New York Mellon Trust Company, N.A., as trustee and registrar (the "Trustee"), or a successor thereto, or at such other addresses as are furnished to the Trustee in writing by such Registered Owner on or prior to the Record Date or, upon timely written request of a Registered Owner and payment of wire transfer fee, by wire transfer from the Trustee to the Registered Owner. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The principal and redemption premium, if any, and interest due at maturity or upon redemption or purchase of this Bond will be payable at the designated corporate trust office of the Trustee in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.



In the event of a partial redemption of this Bond, the Registered Owner hereof is authorized to effect a reduction in the face amount of this Bond by making a notation indicating the principal amount of such redemption and the date thereon on the Payment Grid attached hereto, in lieu of surrendering this Bond to the Trustee for cancellation and the issuance of a new Bond or Bonds in the amount of the unredeemed portion hereof. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS BOND MAY BE LESS THAN THE STATED FACE AMOUNT HEREOF AND THE RECORDS OF THE TRUSTEE SHALL BE CONCLUSIVE AS TO THE OUTSTANDING PRINCIPAL AMOUNT HEREOF, NOTWITHSTANDING THE FAILURE OF THE REGISTERED OWNER TO MAKE ANY NOTATION ON SUCH PAYMENT GRID OF THE REDEMPTION OF A PORTION THEREOF, AND SHALL BE BINDING UPON THE REGISTERED OWNER, ANY HEIRS, SUCCESSORS OR ASSIGNS, OR ANY TRANSFEREE OR PURCHASER OF THIS BOND. ANY PURCHASER OR TRANSFEREE OF THIS BOND SHOULD CONTACT THE TRUSTEE TO ASCERTAIN THE OUTSTANDING PRINCIPAL AMOUNT HEREOF.

This Bond is one of an authorized issue of 2021 Series A Bonds in the aggregate principal amount of \$\_\_\_\_\_ (the “2021 Series A Bonds”) issued for the purpose of providing funds for the Commission to carry out its program of making or purchasing qualified mortgage loans (the “Mortgage Loans”) for the acquisition, construction, and rehabilitation of dwelling accommodations for persons of eligible income to facilitate the development of a sufficient supply of single family residential housing in Montgomery County, Maryland for such persons, including providing funds for various reserve funds, and to refund and redeem certain of its prior outstanding Bonds issued for the purpose of financing Mortgage Loans. Simultaneously with the issuance of the 2021 Series A Bonds, pursuant to the 2021 Series B Resolution, the Commission has issued its Single Family Mortgage Revenue Bonds 2021 Series B in the aggregate principal amount of \$\_\_\_\_\_ (the “2021 Series B Bonds,” and together with the 2021 Series A Bonds, the “2021 Series Bonds”).

The 2021 Series A Bonds are all issued under and are equally and ratably secured by and entitled to the protection of the Commission’s Single Family Mortgage Revenue Bond Resolution No. 79-26, adopted March 28, 1979, as amended, and the 2021 Series A Resolution adopted by the Commission as of June 1, 2021 (collectively, the “Bond Resolution”). The Bond Resolution provides that the Commission may hereafter issue additional Bonds from time to time under certain terms and conditions contained in the Bond Resolution and, if issued, such additional Bonds will rank pari passu with this issue of 2021 Series A Bonds and be equally and ratably secured by and entitled to the protection of the Bond Resolution. Reference is hereby made to the Bond Resolution for a description of the property pledged and assigned, the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Commission, the Trustee and the owners of the 2021 Series A Bonds and the terms upon which the 2021 Series A Bonds are issued and secured.

The Commission and the Trustee may deem and treat the Registered Owner hereof as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and premium, if any, and interest due hereon and for all other purposes and neither the Commission nor the Trustee shall be affected by any notice to the contrary.

The 2021 Series A Bonds are issuable as registered 2021 Series A Bonds without coupons in the denomination of \$5,000 or any integral multiple thereof. Subject to the limitations and upon payment of the charges provided in the Bond Resolution, registered 2021 Series A Bonds, upon surrender thereof at the designated corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee duly executed by the Registered Owner thereof or by his or her attorney duly authorized in writing, may be exchanged, at the option of the Registered Owner thereof, for a like aggregate principal amount of registered 2021 Series A Bonds without coupons of other authorized denominations of the same Series and the same maturity. This Bond is transferable by the Registered Owner hereof in person or by his or her attorney duly authorized in writing at the designated corporate trust office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Bond Resolution, and upon surrender and cancellation of this Bond. Upon such transfer a new registered Bond or Bonds of the same Series and the same maturity and interest rate and of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor. The Trustee is not required to make any exchange or transfer in the case of any proposed redemption of Bonds of such Series, after the first publication or the mailing of notice calling such Bonds or portions thereof for redemption has been given as herein provided, or during the 15 days next preceding the date of the first publication of notice of such redemption.

The 2021 Series A Bonds shall be subject to optional, special and mandatory sinking fund redemption and purchase in lieu of redemption as provided in the Bond Resolution.

If any of the 2021 Series A Bonds or portions thereof are called for redemption as aforesaid, notice thereof identifying the 2021 Series A Bonds or portions thereof to be redeemed will be given by the Trustee by transmitting a copy of the redemption notice at least 20 days before the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books. All 2021 Series A Bonds so called for redemption will cease to bear interest after the specified redemption date, provided that funds for their redemption are on deposit at the place of payment at that time.

The 2021 Series A Bonds are issued pursuant to and in full compliance with the Constitution and laws of the State of Maryland, particularly Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, and Chapter 41 of the Laws of Montgomery County 1974, as amended, known as the Housing Opportunities Act, and a certain Agreement By and Between the Commission and Montgomery County, Maryland.

This Bond and the issue of which it forms a part and the interest thereon are limited obligations of the Commission and are payable solely out of the Revenues and other assets of the Commission pledged therefor pursuant to the Bond Resolution. The Commission has no taxing power. The 2021 Series A Bonds do not constitute a debt of Montgomery County, the State of Maryland or any political subdivision thereof and neither Montgomery County, the State of Maryland nor any political subdivision thereof shall be liable thereon, nor in any event shall the 2021 Series A Bonds be payable out of any funds or properties of the Commission other than those pledged therefor. The 2021 Series A Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Neither the

commissioners of the Commission nor any persons executing the 2021 Series A Bonds shall be liable personally on the 2021 Series A Bonds by reason of the issuance thereof. Payments sufficient for the prompt payment, when due, of the principal of, premium, if any, and interest on the 2021 Series A Bonds are to be paid to the Trustee for the account of the Commission, which payments have been duly pledged and assigned for that purpose.

The Registered Owner of this Bond shall have no right to enforce the provisions of the Bond Resolution or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Bond Resolution, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Bond Resolution. In certain events, on the conditions, in the manner and with the effect set forth in the Bond Resolution, the principal of all the 2021 Series A Bonds issued under the Bond Resolution and then outstanding may become or may be declared due and payable before the stated maturities thereof, at the principal amount thereof, together with interest accrued thereon to the date of acceleration.

The Bond Resolution permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Commission and the rights of the owners of the 2021 Series A Bonds at any time by the Commission with the consent of the owners of two-thirds in Aggregate Principal Amount of the 2021 Series A Bonds at the time outstanding, as defined in the Bond Resolution. Any such consent or waiver by the Registered Owner of this Bond shall be conclusive and binding upon such owner and upon all future owners of this Bond and of any 2021 Series A Bond issued in replacement thereof whether or not notation of such consent or waiver is made upon this Bond. The Bond Resolution also contains provisions permitting the Trustee to waive certain defaults under the Bond Resolution and their consequences.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Bond Resolution and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law; that the issuance of this Bond and the issue of which it forms a part, together with all other obligations of the Commission, does not exceed or violate any constitutional or statutory limitation; and that the amounts pledged to the payment of the principal of and premium, if any, and interest on this Bond and the issue of which it forms a part, as the same become due, are expected to be sufficient in amount for that purpose.

This Bond shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by the Trustee or an authorized signatory thereof.

IN WITNESS WHEREOF, the Housing Opportunities Commission of Montgomery County has caused this Bond to be executed in its name by the facsimile signature of its Chair and its corporate seal to be hereunto impressed or imprinted hereon and attested to by the facsimile signature of its Secretary-Treasurer.

HOUSING OPPORTUNITIES COMMISSION  
OF MONTGOMERY COUNTY

[SEAL]

By: \_\_\_\_\_  
Roy O. Priest  
Chair

Attest:

By: \_\_\_\_\_  
Stacy L. Spann  
Secretary-Treasurer



[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This Bond is one of the Bonds described in the within-mentioned Bond Resolution and is one of the Single Family Mortgage Revenue Bonds, 2021 Series A of the Housing Opportunities Commission of Montgomery County.

THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A., TRUSTEE

By: \_\_\_\_\_  
Authorized Signatory

Date of Authentication: \_\_\_\_\_

[FORM OF ASSIGNMENT]

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto \_\_\_\_\_ the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints \_\_\_\_\_ to transfer the within-mentioned Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature: \_\_\_\_\_ (Signature(s) must be guaranteed by a broker or other financial institution which is a participant in the Securities Transfer Agent's Medallion Program or similar program (STAMP, SEMP, MSP).)

Please insert social security or other identifying number of assignee: \_\_\_\_\_

NOTICE: The signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

\* \* \* \* \*

[End of Form of 2021 Series A Bond]

HOUSING OPPORTUNITIES COMMISSION  
OF MONTGOMERY COUNTY

Resolution No. 2021-\_\_

SERIES RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE

OF

\$\_\_\_\_\_ PRINCIPAL AMOUNT OF SINGLE FAMILY  
MORTGAGE REVENUE BONDS, 2021 SERIES B OF THE HOUSING  
OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

Adopted as of June 1, 2021

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Resolution No. 2021-\_\_\_\_\_

SERIES RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE

OF

\$\_\_\_\_\_ PRINCIPAL AMOUNT OF SINGLE FAMILY  
MORTGAGE REVENUE BONDS, 2021 SERIES B OF THE HOUSING  
OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

Adopted as of June 1, 2021

WHEREAS, the Housing Opportunities Commission of Montgomery County (the “Commission”) has previously issued certain Bonds to purchase Mortgage Loans from Mortgage Lenders pursuant to its single family mortgage program under the provisions of Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, and Chapter 41 of the Laws of Montgomery County, 1974, as amended, known as the Housing Opportunity Act, and the Agreement by and between the Commission and Montgomery County, Maryland, effective July 1, 2016, as amended (the “Acts”); and

WHEREAS, the Commission adopted a Single Family Mortgage Revenue Bond Resolution on March 28, 1979, and adopted resolutions amending said Bond Resolution on December 15, 1982, as of August 1, 1983, as of June 1, 1986, as of June 26, 1991, on May 17, 1995, on June 9, 1999, on May 3, 2000, on September 18, 2002, as of December 1, 2005, on April 2, 2008, on December 7, 2011 and on June 5, 2013 (the “Bond Resolution”); and

WHEREAS, in order to obtain funds with which to refund and redeem certain prior outstanding bonds of the Commission and to make certain moneys available to finance additional Mortgage Loans it is deemed necessary and advisable to issue a series of Single Family Mortgage Revenue Bonds of the Commission as hereinafter provided;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY, as follows:

**ARTICLE I**

**DEFINITIONS**

**Section 1.01. Definitions.** (a) Except as provided in subsection (b) hereof, all defined terms contained in the Bond Resolution when used in this 2021 Series B Resolution shall have the same meanings as set forth in the Bond Resolution.

(b) As used in this 2021 Series B Resolution, unless the context shall otherwise require, the following terms shall have the following respective meanings:

“*Act of Bankruptcy*” means any of the following events:

(i) The Commission (or any other Person obligated, as guarantor or otherwise, to make payments on the 2021 Series B Bonds or under the Bond Resolution or the Credit Agreement or an “affiliate” of the Commission as defined in Bankruptcy Code § 101(2)) shall (1) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee, liquidator or the like of the Commission (or such other Person) of all or any substantial part of its property, (2) commence a voluntary case under the Bankruptcy Code, or (3) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts; or

(ii) A proceeding or case shall be commenced, without the application or consent of the Commission (or any other Person obligated, as guarantor or otherwise, to make payments on the 2021 Series B Bonds or under the Bond Resolution or the Credit Agreement or an “affiliate” of the Commission as defined in Bankruptcy Code § 101(2)) in any court of competent jurisdiction, seeking (1) the liquidation, reorganization, dissolution, winding-up, or composition or adjustment of debts, of the Commission (or any such other Person), (2) the appointment of a trustee, receiver, custodian, liquidator or the like of the Commission (or any such other Person), or of all or any substantial part of its property, or (3) similar relief in respect of the Commission (or any such other Person) under any law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts.

“*Alternate Credit Facility*” means an insurance policy, surety bond, guarantee, irrevocable direct-pay letter of credit or other form of credit or liquidity facility (not including a Non-Conforming Liquidity Facility or Self Liquidity) delivered to, and accepted by, the Trustee pursuant to Section [5.03] of this 2021 Series B Resolution, in substitution for a Credit Facility then in effect. An Alternate Credit Facility may provide liquidity coverage only in accordance with the provisions of Section [5.03] hereof

“*Applicable Percentage*” means, with respect to any R-FLOATS on any Effective Rate Date, the percentage set forth below based on the Prevailing Rating of the applicable R-FLOATS in effect at the close of business on the Business Day immediately preceding such Effective Rate Date:

<u>Prevailing Rating</u>	<u>Applicable Percentage</u>
[Aaa	150%
Aa	200
A	250

Baa	350
Below Baa	400]

“*Bank*” means (i) with respect to the Initial Credit Facility, [PNC Bank, National Association], (ii) with respect to an Alternate Credit Facility or a Non-Conforming Liquidity Facility, the provider thereof, together with its successors and assigns; and (iii) with respect to Self Liquidity, the Commission, together with its successors and assigns.

“*Bank Bonds*” means 2021 Series B Bonds purchased with funds provided by the Bank pursuant to a Credit Facility and not remarketed pursuant to the provisions of this 2021 Series B Resolution.

“*Bank Interest Rate*” means the rate of interest, if any, on any Bank Bonds held by and payable to the Bank at any time as determined and calculated in accordance with the provisions of the Credit Facility.

“*Bank Purchase Date*” means any Purchase Date on which the Bank purchases 2021 Series B Bonds.

“*Bankruptcy Code*” means Title 11 of the United States Code, as amended, and any successor statute or statutes having substantially the same function.

“*Base Rate*” means, for each day of determination, a fluctuating rate of interest per annum equal to the higher of (i) the interest rate per annum announced from time to time by the Bank at its principal office as its then prime rate, which rate may not be the lowest rate then being charged commercial borrowers by the Bank, (ii) the Federal Funds Rate plus 3.0% per annum.

“*Bond Counsel*” means one or more attorneys or firms of attorneys with a nationally recognized standing in the field of municipal bond financings selected by the Commission.

“*Bond Purchase Account*” means the 2021 Series B Bond Purchase Account established pursuant to Section [3.08] hereof.

“*Business Day*” means any day other than a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of New York or in which the designated corporate trust office of the Trustee is located, are authorized by law to close, or a day on which the New York Stock Exchange is closed.

“*Convert,*” “*Converted*” or “*Conversion,*” as appropriate, means the conversion of the interest rate on any of the 2021 Series B Bonds to a Fixed Interest Rate or an Indexed Rate pursuant to Section [2.05] hereof.

“*Credit Agreement*” means any agreement between the Commission and the Bank or other provider of a Credit Facility relating to a Credit Facility, as such agreement may be amended or supplemented from time to time pursuant to its terms.

“*Credit Expiration Event*” means either (i) the Commission has determined to terminate a Credit Facility in accordance with its terms, or (ii) the Trustee has received notice from the Bank on or prior to 90 days prior to the scheduled expiration of a Credit Facility that such Credit Facility will not be extended or renewed.

“*Credit Facility*” means, initially, the [[PNC Bank Credit Facility]] and thereafter, any other instrument delivered pursuant to the terms of this 2021 Series B Resolution, which provides security for the payment of certain payments on or with respect to the 2021 Series B Bonds in accordance with the terms of this 2021 Series B Resolution, including any Alternate Credit Facility, Non-Conforming Liquidity Facility or Self Liquidity.

“*Credit Facility Bonds*” means Variable Rate Bonds (other than R-FLOATS) which are required pursuant to this 2021 Series B Resolution to be covered by a Credit Facility.

“*Daily Mode Period*” means the period of time during which any of the 2021 Series B Bonds bear interest at a Daily Rate.

“*Daily Rate*” means the rate of interest to be borne by the 2021 Series B Bonds as described in Section 2.09(B) hereof.

“*Effective Rate*” means the rate of interest (which rate shall be less than or equal to the Maximum Rate) payable on any of the 2021 Series B Bonds prior to Conversion, as determined for each Effective Rate Period pursuant to the terms of this 2021 Series B Resolution.

“*Effective Rate Date*” means each date on which any of the 2021 Series B Bonds begin to bear interest at the applicable Effective Rate described in the Mode Period Chart.

“*Effective Rate Period*” means, with respect to any 2021 Series B Bonds, each period during which interest accrues under a particular Mode from one Effective Rate Date to and including the day preceding the next Effective Rate Date with respect to such 2021 Series B Bonds.

“*Electronic Means*” means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

“*Eligible Funds*” means, when a Credit Facility is in effect, moneys held by the Trustee or the Paying Agent hereunder which consist of any of the following:

(i) any moneys if, in the written opinion of counsel experienced in bankruptcy law matters (which opinion shall be delivered to the Trustee and the Rating Agency, if any, rating the Credit Facility Bonds at or prior to the time of the deposit of such moneys with the Trustee and shall be in form and substance satisfactory to the Rating Agency, if any, rating the Credit Facility Bonds), the deposit and use of such moneys will not constitute an avoidable preferential payment pursuant to Section 547 of the Bankruptcy Code, or an avoidable post-petition transfer pursuant to Section 549 of the Bankruptcy Code, recoverable from Holders of the Credit Facility Bonds pursuant to Section 550 of the Bankruptcy Code in the event of an Act of Bankruptcy;

(ii) moneys paid by the Bank to the Trustee under the Credit Facility which are not commingled with any other moneys; or

(iii) moneys held by the Trustee for a period of at least 91 consecutive days and that have not been commingled with other funds that do not constitute Eligible Funds, during which period no Act of Bankruptcy shall have occurred, and proceeds from the investment thereof.

If no Credit Facility is in effect, any moneys held by the Trustee or the Paying Agent hereunder shall constitute “Eligible Funds.”

“*Expiration Date*” has the meaning as set forth in the [PNC Bank Credit Facility].

“*Federal Funds Rate*” has the meaning as set forth in the Reimbursement Agreement.

“*Fixed Interest Rate*” means a long-term interest rate fixed to maturity of any 2021 Series B Bond, established in accordance with Section 2.05 of this 2021 Series B Resolution.

“*Fixed Rate Bonds*” means 2021 Series B Bonds that bear interest at a Fixed Interest Rate.

“*Hedge Provider*” means a counterparty with whom the Commission enters into a Qualified Hedge.

“*Index*” means, with respect to any 2021 Series B Bonds, the interest rate index (SIFMA (formerly BMA)) or, upon receipt of written confirmation from the rating agency then maintaining a rating on the 2021 Series B Bonds that the rating on the 2021 Series B Bonds has not been withdrawn, reduced or suspended, [INDEX]) specified by the Commission in connection with the Conversion of such Bonds to be used in the Index Rate Determination Method with respect to such Bonds.

“*Index Accrual Period*” means, with respect to any 2021 Series B Bonds bearing interest at an Indexed Rate (i) determined in accordance with Section [2.05(g)(1)] or Section 2.05(g)(2)] hereof, the period commencing on the Conversion Date of such Bonds to but

excluding the day occurring one week thereafter and each one week period thereafter and (ii) determined in accordance with Section [2.05(g)(3)] or Section [2.05(g)(4)], the period commencing on each January 1, April 1, July 1 and October 1 to and including the following December 31, March 31, June 30 and September 30 respectively; provided that the initial Index Accrual Period shall be the period commencing on the Conversion Date of such Bonds and ending on the immediately succeeding December 31, March 31, June 30 and September 30.

“*Index Adjustment Factor*” means, with respect to any 2021 Series B Bonds bearing interest at an Indexed Rate determined in accordance with Section [2.05(g)(2)] or Section [2.05(g)(4)], the per annum spread to the related Index (expressed in basis points) established on the Index Determination Date immediately preceding the Conversion Date for such Bonds in accordance with Section [2.05].

“*Index Determination Date*” means, with respect to any Index Accrual Period, the second Business Day preceding the beginning of such Index Accrual Period.

“*Index Percentage*” means, with respect to 2021 Series B Bonds bearing interest at an Indexed Rate determined in accordance with Section [2.05(g)(1) or Section 2.05(g)(3)], the percentage of the related Index established on the Conversion Date for such Bonds in accordance with Section [2.05].

“*Index Rate Determination Method*” means, with respect to any 2021 Series B Bonds, the method for determining the Indexed Rate for such Bonds for each Index Accrual Period, as selected by the Commission in accordance with Section 2.05(g).

“*Indexed Rate*” means, with respect to any Index Accrual Period and any 2021 Series B Bonds, a per annum rate determined in accordance with the Index Rate Determination Method specified upon the Conversion of such Bonds; provided that the Indexed Rate for any Index Accrual Period shall not exceed the Maximum Rate.

“*Indexed Rate Bonds*” means 2021 Series B Bonds which bear interest at an Indexed Rate.

“*Interest Payment Date*” means, (a) with respect to the 2021 Series B Bonds other than Bank Bonds, each January 1 and July 1, commencing January 1, 2022, and after a Conversion, the first of such dates occurring at least two months after the Conversion Date and each January 1 and July 1 thereafter, and (b) with respect to Bank Bonds, (i) any Bank Purchase Date, (ii) the first calendar day of each month after each Bank Purchase Date and (iii) the date of remarketing of the Bank Bonds.

“*Mandatory Tender Date*” means each date on which any of the 2021 Series B Bonds are subject to mandatory tender pursuant to Sections 2.05 and 2.14 hereof.

“*Maturity Date*” means the respective maturity dates for the 2021 Series Bonds as specified in Section 2.04 hereof.



“*Maximum Rate*” means (a) with respect to the 2021 Series B Bonds, 12% per annum, unless the Commission directs in writing that such rate be increased to a higher rate, but in no event shall such higher rate be in excess of the interest rate covered under the Credit Facility, if any, then in effect; and (b) with respect to Bank Bonds, the meaning ascribed to such term in the Credit Facility; provided, however, that in no event shall the Maximum Rate exceed the lesser of (x) 12% or such higher rate as approved by the Commission’s Board of Commissioners, but in no event shall such higher rate be in excess of the interest rate covered under the Credit Facility, if any, then in effect or (y) the maximum rate permitted by applicable law, anything herein to the contrary notwithstanding.

“*Mode*” means the manner in which the interest rate on any of the 2021 Series B Bonds is determined, consisting of a Daily Rate, Weekly Rate, Monthly Rate, Quarterly Rate, or Semiannual Rate.

“*Mode Change*” means a change in Mode Period.

“*Mode Change Date*” means the date of effectiveness of a Mode Change.

“*Mode Period*” means each period beginning on the first Effective Rate Date for any of the 2021 Series B Bonds, or the first Effective Rate Date following a change from one Mode to another, and ending on the date immediately preceding the first Effective Rate Date following the next such change in Mode with respect to such 2021 Series B Bonds.

“*Mode Period Chart*” means the chart entitled “Mode Periods” as set forth in Section [2.04] hereof.

“*Monthly Mode Period*” means each period of time during which any of the 2021 Series B Bonds bear interest at a Monthly Rate.

“*Monthly Rate*” means the rate of interest to be borne by any of the 2021 Series B Bonds as described in Section [2.04(b)(2)] hereof.

“*Moody’s*” means Moody’s Investors Service, Inc., and its successors and assigns.

“*1954 Code*” means the Internal Revenue Code of 1954, as amended, and the regulations of the United States Department of Treasury thereunder.

“*1986 Code*” means the Internal Revenue Code of 1986, as amended, and the regulations of the United States Department of Treasury thereunder.

“*No Arbitrage Certificate*” means the No Arbitrage Certificate, dated June \_\_\_\_, 2021 relating to the 2021 Series Bonds.

“*Non-Conforming Liquidity Facility*” means a Credit Facility delivered by the Commission pursuant to Section [5.04] hereof.

“*Notice Parties*” means the Commission, the Remarketing Agent, the Bank, the Tender Agent and the Trustee.

“*Participant*” means any entity participating directly in the book-entry-only system of DTC.

“*Person*” means an individual, partnership, limited liability company, corporation, trust or unincorporated organization or a government or any agency, instrumentality, political subdivision or corporation thereof.

“*[PNC Bank Credit Facility]*” means the irrevocable, direct-pay letter of credit, dated \_\_\_\_\_, 2021 and expiring on \_\_\_\_\_, issued by the Bank in favor of the Trustee, as amended and supplemented from time to time.

“*Prevailing Rating*” means (a) Aaa, if the 2021 Series B Bonds shall have a rating of Aaa or better by Moody’s, (b) if not Aaa, then Aa if the 2021 Series B Bonds shall have a rating of Aa3 or better by Moody’s, (c) if not Aaa or Aa, then A if the 2021 Series B Bonds shall have a rating of A3 or better by Moody’s, (d) if not Aaa, Aa or A, then Baa if the 2021 Series B Bonds shall have a rating of Baa3 or better by Moody’s and (e) if not Aaa, Aa, A or Baa, then below Baa, whether or not the 2021 Series B Bonds are rated by any securities rating agency. For purposes of this paragraph, Moody’s rating categories of “Aaa,” “Aa3,” “A3” and “Baa3” shall be deemed to refer to and include the rating categories correlative thereto in the event that such rating agency shall have changed or modified its generic rating categories or if any successor thereto appointed in accordance with the definitions shall use different rating categories.

“*Purchase Date*” means any date that 2021 Series B Bonds are to be purchased pursuant to Sections [2.13] and [2.14] hereof.

“*Purchase Price*” means an amount equal to the principal amount of any 2021 Series B Bond tendered or deemed tendered for purchase as provided herein, plus accrued interest from the previous Interest Payment Date to the day preceding the Purchase Date.

“*Qualified Hedge Agreement*” means either a Swap Agreement or a Rate Cap Agreement.

“*Quarterly Mode Period*” means each period of time during which any of the 2021 Series B Bonds bears interest at a Quarterly Rate.

“*Quarterly Rate*” means the rate of interest to be borne by any of the 2021 Series B Bonds as described in Section [2.04(b)(2)] hereof.

“*Rate Cap Agreement*” means an agreement between the Commission and a Rate Cap Provider under which the Rate Cap Provider agrees to pay the Commission periodically as specified in such Rate Cap Agreement for any or all of the 2021 Series B Bonds the amount, if any, by which the interest accrued on such 2021 Series B Bonds during the related Mode Period or Periods exceeds the interest which would have accrued had such 2021 Series B Bonds borne interest during such Mode Period or Periods at an agreed-upon rate.

“*Rate Cap Provider*” means the counterparty to any Rate Cap Agreement with the Commission whose unsecured obligations, or the person who guarantees the obligations of the Rate Cap Provider to make the payments under the Rate Cap Agreement as of the date the Rate Cap Agreement is entered into, has unsecured debt obligations which are rated in one of the two highest applicable rating categories by the Rating Agencies.

“*Rate Determination Date*” means the date on which the Effective Rate is determined for the Effective Rate Period following each such Rate Determination Date, as described in the Mode Period Chart.

“*Record Date*” means the 15<sup>th</sup> day of the calendar month next preceding each Interest Payment Date.

“*Redemption Date*,” when used with respect to the redemption of all, or any portion, of the 2021 Series Bonds, means the date fixed for such redemption in a notice given by the Trustee as contemplated in Section 2.10, 2.11 or 2.12 of this 2021 Series B Resolution.

“*R-FLOATS*” means Variable Rate Bonds that are not required to be covered by a Credit Facility.

“*R-FLOATS Change Dates*” means the effective date of a change from Credit Facility Bonds to R-FLOATS, or a change from R-FLOATS to Credit Facility Bonds.

“*R-FLOATS Default Rate*” means, in respect of any Mode Period, [five hundred percent (500%)] of the SIFMA Index determined on the Mode Change Date next preceding the first day of such Mode Period; provided, however, that in no event shall the R-FLOATS Default Rate with respect to such Bonds exceed the Maximum Rate.

“*R-FLOATS Minimum Rate*” has the meaning set forth in Section [2.04(b)(2)(F)].

“*R-FLOATS Minimum Rate Determination Date*” has the meaning set forth in Section [2.04(b)(2)(F)].

“*R-FLOATS Non-Remarketed Rate*” means with respect to any Effective Rate Period the rate per annum equal to the product of the Applicable Percentage in effect on the Effective Rate Date and the SIFMA Index in effect at such time and (a) in the case of R-FLOATS bearing interest at a Daily Rate, Weekly Rate or Monthly Rate, the SIFMA Index; (b) in the case of R-FLOATS bearing interest at a Quarterly Rate, [Three-Month LIBOR]; and (c) in the case of R-FLOATS bearing interest at a Semiannual Rate, Six-Month LIBOR.

“*Remarketing Agent*” means [PNC Capital Markets LLC] and its successors and assigns, or otherwise appointed in accordance with this 2021 Series B Resolution.

“*Remarketing Agreement*” means the Remarketing Agreement between the Commission and the Remarketing Agent regarding the remarketing of tendered (or deemed tendered) 2021 Series B Bonds.

“*Rule G-34 Documents*” means (i) the letter of credit agreement, reimbursement agreement, standby bond purchase agreement, loan agreement, guaranty agreement or any other document establishing an obligation to provide credit and/or liquidity support with respect to the Bonds, (ii) the indenture, bond resolution, and any supplemental or series indenture(s) or resolution(s) or any other authorizing document under which the Bonds were issued, (iii) any amendments, extensions, renewals, replacements or terminations thereof; and (iv) any other document that, in the Remarketing Agent’s reasonable judgment and as so specified to the Commission, must be filed in order to comply with MSRB Rule G-34(c), as it may be amended from time to time; and, in each case where a Rule G-34 Document is required to be delivered to the Remarketing Agent, such delivery shall be by electronic means in a word-searchable PDF file (or in such other form as the Remarketing Agent shall notify the Commission in writing) labeled with the following information: (a) CUSIP number; (b) name of Issuer; (c) name of transaction; (d) name of document; and (e) whether the document is an execution version or a redacted version.

“*Self Liquidity*” means a liquidity facility provided by the Commission’s own funds pursuant to Section [5.04] of this 2021 Series B Resolution, other than a Non-Conforming Liquidity Facility.

“*Semiannual Mode Period*” means each period of time during which any of the 2021 Series B Bonds bear interest at a Semiannual Rate.

“*Semiannual Rate*” means the rate of interest to be borne by any of the 2021 Series B Bonds as described in Section [2.04(b)(2)] hereof.

“*Series B Refunded Bonds*” means the Commission’s Single Family Mortgage Revenue Bonds, in the aggregate principal amount of \$\_\_\_\_\_, of the series and in the specific amounts set forth in Section 3.04 hereof.

“*SIFMA*” means, with respect to any Index Accrual Period, the per annum rate equal to the SIFMA Index (formerly the Bond Market Association Municipal Swap Index) in effect on the applicable Index Determination Date; provided, however, that if the SIFMA Index shall become unavailable, SIFMA shall be deemed to be a comparable index selected by the Remarketing Agent prior to the Conversion of 2021 Series B Bonds to an Indexed Rate.

“*SIFMA Index*” means the index published by the Securities Industry and Financial Markets Association based upon data compiled by Municipal Market Data concerning taxable or tax-exempt (as applicable) variable rate issues, indices maintained by *The Bond Buyer*, and other publicly available taxable or tax-exempt (as applicable) interest rate indices).

[“*Six-Month LIBOR*” means the rate of interest per annum equal to the rate per annum at which United States dollar deposits having a maturity of six months are offered to prime banks in the London interbank market which appear on the Telerate Service LIBOR Page as of approximately 11:00 A.M. London time, on the second Business Day immediately preceding the beginning of each Semiannual Mode Period for R-FLOATS. If

at least two such quotations appear, Six-Month LIBOR will be determined at approximately 11:00 A.M., London time, on such calculation date on the basis of the rate at which deposits in United States dollars having a maturity of six months are offered to prime banks in the London interbank market by four major banks in the London interbank market selected by the Trustee and in a principal amount of not less than U.S. \$1,000,000 and that is representative for a single transaction in such market at such time. The Trustee will request the principal London office of each of such banks to provide a quotation of its rate. If at least two quotations are provided, Six-Month LIBOR will be the arithmetic mean (rounded upwards, if necessary, to the nearest one-hundredth of one percent) of the rates quoted at approximately 11:00 A.M., New York City time on the second Business Day immediately preceding the beginning of each Semiannual Mode Period for R-FLOATS by three major banks in New York, New York selected by the Remarketing Agent for loans in United States dollars to leading European banks having a maturity of six months and in a principal amount equal to an amount of not less than U.S. \$1,000,000 and that is representative for a single transaction in such market at such time; provided, however, that if the banks selected as aforesaid are not quoting as mentioned in this sentence, Six-Month LIBOR will be Six-Month LIBOR in effect for the immediately preceding Semiannual Mode Period. If the Telerate Service is not available, then another service selected by the Trustee will be used; provided, however, that if the service selected by the Trustee as aforesaid is not quoting as mentioned in this sentence, then Six-Month LIBOR will be the Six-Month LIBOR in effect for the immediately preceding Semiannual Mode Period; provided, however, that if on the date of determination of Six-Month LIBOR, Six-Month LIBOR was not published in the immediately preceding Semiannual Mode Period, a new publicly published industry standard six-month rate will be identified by the Commission, so long as a written confirmation is received from each Rating Agency then maintaining a rating on the 2021 Series B Bonds that the rating on the 2021 Series B Bonds has not been withdrawn, reduced or suspended and the Trustee and the Commission receive a no-adverse effect opinion of Bond Counsel. SOFR TO BE ADDED AS ACCEPTABLE SUBSTITUTE]

“*Swap Agreement*” means an agreement between the Commission and a Swap Provider under which the Commission agrees to pay the Swap Provider an amount calculated at an agreed-upon rate or index based upon a notional amount and the Swap Provider agrees to pay the Commission for a specific period of time an amount calculated at an agreed-upon rate or index based upon such notional amount, where the Swap Provider, or the person who guarantees the obligation of the Swap Provider to make its payments to the Commission, has unsecured obligations rated, as of the date the swap agreement is entered into, in one of the two highest applicable rating categories by the Rating Agencies but only if any such Rating Agency is then rating bonds secured by such agreements of the Swap Provider or other person who guarantees such obligation.

“*Swap Provider*” means the counterparty with whom the Commission enters into a Swap Agreement.

“*Tender Agent*” means The Bank of New York Mellon Trust Company, N.A., Jacksonville, Florida, and its successors and assigns.

“*Tender Date*” means any Optional Tender Date or Mandatory Tender Date.

[LEAVING IN LIBOR PROVISIONS UNTIL WE DISCUSS AN APPROPRIATE SUBSTITUTE: “[*Three-Month LIBOR*]” with respect to any Index Accrual Period or Quarterly Mode Period for R-FLOATS means the per annum rate (rounded, if necessary, to the nearest one-hundredth of one percent) for deposits in United States dollars for three months which appears on the Telerate British Bankers' Association LIBOR Rates Page (“BBA LIBOR Rates Page” as defined below) as of 11:00 A.M. London, England time, on the second Business Day preceding the beginning of each Index Accrual Period or Quarterly Mode Period for R-FLOATS, as applicable, in each case a “LIBOR Determination Date.” If such rate does not appear on the BBA LIBOR Rates Page or if fewer than two offered rates appear, [Three-Month LIBOR] will be determined on such date as described below. “BBA LIBOR Rates Page” means the display designated as page 3750 on the Telerate, Inc. news and information service (or such other page as may replace the BBA LIBOR Rates Page on that service for the purpose of displaying London interbank offered rates of major banks). If on such LIBOR Determination Date fewer than two offered rates appear on the BBA LIBOR Rates Page, the Trustee will request the principal London office of each of two major banks that are engaged in transactions in the London interbank market, as determined by the Trustee, to provide the Trustee with its offered quotation for United States dollar deposits for three months to prime banks in the London interbank market as of 11:00 A.M., London, England time, on such date. If at least two such major banks provide the Trustee with such offered quotations, [Three-Month LIBOR] on such date will be the arithmetic mean (rounded, if necessary, to the nearest one-hundredth of one percent) of all such quotations. If on such date fewer than two of the major banks provide the Trustee with such an offered quotation, [Three-Month LIBOR] on such date will be the arithmetic mean (rounded, if necessary, to the nearest one-hundredth of one percent) of the offered rates that one or more leading banks in The City of New York (other than the Trustee or a Trustee-owned or Trustee-affiliated bank) are quoting as of 11:00 A.M. New York City time, on such date to leading European banks for United States dollar deposits for three months; provided, however, that if on the date of determination of [Three-Month LIBOR], [Three-Month LIBOR] was not published in the immediately preceding Semiannual Mode Period, a new publicly published industry standard six-month rate will be identified by the Commission, so long as a written confirmation is received from each Rating Agency then maintaining a rating on the 2021 Series B Bonds that the rating on the 2021 Series B Bonds has not been withdrawn, reduced or suspended and the Trustee and the Commission receive a no-adverse effect opinion of Bond Counsel.]

“*Single Family Residence*” has the meaning ascribed to such term in the Financing Agreement.

“*2021 Series B Bond Purchase Account*” means the account by that name established pursuant to Section [3.08] hereof.

“*2021 Series A Bonds*” means the Commission’s Single Family Mortgage Revenue Bonds, 2021 Series A, in the aggregate principal amount of \$\_\_\_\_\_.

“*2021 Series A Resolution*” means this 2021 Series B Resolution of the Commission authorizing the issuance of the 2021 Series B Bonds.

“2021 Series B PAC Bonds” has the meaning ascribed to such term in Section 2.11(c) hereof.

“2021 Series B Mortgage Loan Account” means the Account created pursuant to Section 3.01 hereof.

“2021 Series B Rebate Account” means the Account created pursuant to Section 3.02 hereof.

“2021 Series B Refunding Account” means the Account created pursuant to Section 3.02 hereof.

“2021 Series B Bonds” means the Commission’s Single Family Mortgage Revenue Bonds, 2021 Series B, in the aggregate principal amount of \$\_\_\_\_\_, authorized under the 2021 Series B Resolution.

“2021 Series B Resolution” means the Series Resolution of the Commission authorizing the issuance of the 2021 Series B Bonds.

“2021 Series Bonds” means, collectively, the 2021 Series A Bonds and the 2021 Series B Bonds.

“Untendered Bonds” has the meaning set forth in Section 2.14(d) hereof.

“Variable Rate Bonds” means the 2021 Series B Bonds during a Daily Mode Period, a Weekly Mode Period, a Monthly Mode Period, a Quarterly Mode Period, or a Semiannual Mode Period (whether or not in each case such 2021 Series B Bonds are Credit Facility Bonds or R-FLOATS).

“Weekly Mode Period” means each period of time during which any of the 2021 Series B Bonds bear interest at a Weekly Rate.

“Weekly Rate” means the rate of interest to be borne by any of the 2021 Series B Bonds as described in Section 2.04(b)(1) hereof.

The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this 2021 Series B Resolution, refer to this 2021 Series B Resolution.

**Section 1.02. Authority for This 2021 Series B Resolution.** This 2021 Series B Resolution is adopted pursuant to the provisions of the Acts and the Bond Resolution.

## ARTICLE II

### AUTHORIZATION, TERMS AND ISSUANCE OF 2021 SERIES B BONDS

**Section 2.01. Authorization of Bonds, Principal Amount, Designation and Series.** In order to provide sufficient funds necessary for the refunding and redemption of the Series B Refunded Bonds and to finance Mortgage Loans or Guaranteed Mortgage Securities pursuant to

the Acts and in accordance with and subject to the terms, conditions and limitations established in the Bond Resolution and this 2021 Series B Resolution, the 2021 Series B Bonds are hereby authorized to be issued. The 2021 Series B Bonds in the aggregate principal amount of \$ \_\_\_\_\_ will be entitled “Single Family Mortgage Revenue Bonds,” and such Series of Bonds shall bear the additional designation “2021 Series B” and each Bond as so designated shall be entitled “Single Family Mortgage Revenue Bond, 2021 Series B.” The 2021 Series B Bonds are to be substantially in the form attached to this 2021 Series B Resolution as Exhibit B-1, Exhibit B-2, Exhibit B-3, and Exhibit B-4 with appropriate variations, omissions and insertions as permitted or required by the Bond Resolution.

**Section 2.02. Purposes.** The purposes for which the 2021 Series B Bonds are being issued are (i) to apply the proceeds of the 2021 Series B Bonds to make \$ \_\_\_\_\_, available for the purchase of newly originated Mortgage Loans and Guaranteed Mortgage Securities (or participations therein) to finance single family owner-occupied housing, subject to the limitations and provisions provided in Article V of the Bond Resolution and (ii) to refund and redeem \$ \_\_\_\_\_ aggregate principal amount of the Series B Refunded Bonds.

A more detailed description of the refunding occurring in connection with the issuance of the 2021 Series Bonds and the use of funds made available from the issuance of the 2021 Series Bonds and such refundings is included in the Commission’s No Arbitrage Certificate relating to the 2021 Series Bonds dated June \_\_\_\_, 2021.

**Section 2.03. Issue Date and Payment.** The 2021 Series B Bonds shall be dated the date of delivery and authentication thereof. The 2021 Series B Bonds will bear interest from the date of delivery thereof, payable on each Interest Payment Date. Interest on the 2021 Series B Bonds shall be paid by check to the registered owners at their addresses as they appear as of the close of business on the Record Date on the registration books of the Commission maintained by The Bank of New York Mellon Trust Company, N.A., as trustee and registrar (the “Trustee”) or a successor thereto, or at such other addresses as are furnished to the Trustee in writing by such registered owners on or prior to the Record Date or, upon timely written request of a registered owner of 2021 Series B Bonds and payment of any applicable transfer fee, by wire transfer from the Trustee to the registered owner thereof. Principal of, redemption premium, if any, and interest due at maturity or upon redemption or purchase of the 2021 Series B Bonds will be payable at the designated corporate trust office of the Trustee at maturity or earlier redemption or purchase.

**Section 2.04. The 2021 Series B Bonds.**

(a) (1) The 2021 Series B Bonds shall mature on \_\_\_\_\_ and shall bear interest at the rates per annum as follows:

The 2021 Series B Bonds will initially be issued as Credit Facility Bonds in the Weekly Mode and will bear interest at an initial Weekly Rate determined at or prior to delivery, from the date of authentication and delivery to, but not including, \_\_\_\_\_ as set forth in a certificate of an Authorized Officer. Unless the interest rate shall be Converted, the 2021 Series B Bonds or any portion thereof shall bear interest at the applicable Effective Rate (based on the



then current Mode Period), as determined by the Remarketing Agent with respect to any Mode Period.

Interest accrued on the 2021 Series B Bonds prior to the Conversion Date and during any Mode Period other than a Quarterly Mode Period or a Semiannual Mode Period shall be computed on the basis of a 365/366-day year for the number of days actually elapsed. Interest accrued on the 2021 Series B Bonds during a Quarterly Mode Period or a Semiannual Mode Period and after Conversion to Fixed Interest Rates shall be computed upon the basis of a 360-day year, consisting of twelve 30-day months.

From time to time, by notice to the Notice Parties and as required hereunder, the Commission may designate a new Mode Period with respect to all or any portion of the Variable Rate Bonds, may cause R-FLOATS to become Credit Facility Bonds, or may cause Credit Facility Bonds to become R-FLOATS. Prior to the designation by the Commission of a Quarterly Mode Period or a Semiannual Mode Period with respect to all or any portion of the Variable Rate Bonds, the Trustee shall have received written evidence from the rating agency then rating the Variable Rate Bonds that its rating then in effect on such Variable Rate Bonds shall not be reduced or withdrawn as a result of such designation. Prior to causing any R-FLOATS to become Credit Facility Bonds, the Commission will deliver a Credit Facility with respect thereto. During each Mode Period, the Effective Rates with respect to any R-FLOATS and Credit Facility Bonds will be those rates which, in the determination of the Remarketing Agent, would result as nearly as practicable in the market value of the R-FLOATS and Credit Facility Bonds of such series, respectively, on the Effective Rate Date being 100% of the principal amount of the R-FLOATS and Credit Facility Bonds, respectively, and which shall not exceed the Maximum Rate. In no event shall the interest rate borne by R-FLOATS in any Effective Rate Period be less than the R-FLOATS Minimum Rate for such period.

Prior to Conversion, the 2021 Series B Bonds or any portion thereof shall bear interest, commencing on the applicable Effective Rate Date, at the rate determined by the Remarketing Agent based on the current Mode for the new Effective Rate Period (except for Bank Bonds, which shall bear interest at the Bank Interest Rate which interest shall be calculated and paid in accordance with the Credit Facility) as set forth below:

(A) During each Mode Period, the Effective Rate with respect to any of the 2021 Series B Bonds shall be that rate which (a) in the judgment of the Remarketing Agent, would be the lowest rate necessary to remarket such Variable Rate Bonds on the Effective Rate Date at par plus accrued interest and (b) is less than or equal to the Maximum Rate.

(B) In determining the Effective Rate and the R-FLOATS Minimum Rate, the Remarketing Agent shall take into account, to the extent applicable, (a) market interest rates for comparable securities held by tax-exempt or taxable (as applicable) open-end municipal bond funds or other institutional or private investors with substantial portfolios (i) with interest rate adjustment periods and tender options substantially identical to the Variable Rate Bonds, (ii) bearing interest at a variable rate intended to maintain par value, and (iii) rated by a national credit rating agency in the same category as the Variable Rate Bonds; (b) other financial market rates and indices that may have a bearing on the Effective Rate (including but not limited to, rates borne by commercial paper, Treasury Bills, commercial bank prime rates, certificate of

deposit rates, federal fund rates, [the London Interbank Offered Rate (LIBOR), SOFR TO BE ADDED] the SIFMA Index, indices maintained by *The Bond Buyer* and other publicly available taxable or tax-exempt (as applicable) interest rate indices); (c) general financial market conditions; (d) the level of the market demand for the Variable Rate Bonds (including whether the Remarketing Agent is willing to purchase the Variable Rate Bonds for its own account); and (e) factors particular to the Commission and the Variable Rate Bonds.

(C) The determination by the Remarketing Agent in accordance with this Section 2.04(b)(1) of the Effective Rate to be borne by the Variable Rate Bonds (other than Bank Bonds which in accordance with a Credit Facility will bear interest at the Bank Interest Rate) shall be conclusive and binding on the Holders of the Variable Rate Bonds and the Notice Parties, except as otherwise provided herein. Failure by the Remarketing Agent or the Trustee to give any notice required hereunder, or any defect therein, shall not affect the interest rate borne by the Variable Rate Bonds or the rights of the Holders thereof.

(D) If for any reason the position of Remarketing Agent is vacant or the Remarketing Agent fails to act, the Effective Rate on the Variable Rate Bonds shall be the interest rate as determined or caused to be determined, at the expense of the Commission, by the Trustee weekly to be the lesser of (i) in the case of the 2021 Series B Bonds which are Credit Facility Bonds, the SIFMA Index plus \_\_\_\_%, and in the case of the R-FLOATS, the SIFMA Index plus the Maximum Rate or (ii) the Maximum Rate.

(E) In making or causing such determination to be made, the Trustee may engage, at the expense of the Commission, such calculation agents or experts as necessary to make such determination and rely on such agents and experts.

(F) With respect to any R-FLOATS, on the Business Day prior to each Rate Determination Date (the "R-FLOATS Minimum Rate Determination Date"), the Remarketing Agent will establish a minimum rate with respect to such R-FLOATS for the following Effective Rate Period (the "R-FLOATS Minimum Rate") and will post such R-FLOATS Minimum Rate electronically via Bloomberg L.P.'s Bloomberg Professional system. Holders of R-FLOATS may also contact the Remarketing Agent after 1:00 P.M. on any R-FLOATS Minimum Rate Determination Date for information regarding the R-FLOATS Minimum Rate for the following Effective Rate Period.

(G) After Conversion, the 2021 Series B Bonds or any portion thereof shall bear interest in accordance with Section 2.05 hereof.

(H) Following any failed remarketing, unless the drawing under the PNC Bank Credit Facility constitutes a Purchase Advance as described in the next clause (I), the Bank Interest Rate pursuant to the Reimbursement Agreement will be a fluctuating interest rate per annum from time to time equal to the lesser of (i) the Base Rate plus \_\_\_\_% per annum or (ii) the Maximum Rate. The affected Remarketing Agent shall give the Trustee notice of any such failed remarketing and the date thereof. If an Alternate Credit Facility is delivered pursuant to Section 5.03 hereof, the Bank Interest Rate shall be the rate set forth for the 2021 Series B Bonds owned by the successor Bank pursuant to the Credit Agreement with respect to such Alternate Credit Facility.

(I) From the date of any Purchase Advance (as defined under the Reimbursement Agreement) through and including the fifth anniversary thereof (a “Purchase Advance Final Payment Date”), such Purchase Advance shall be repaid by the Commission in approximately equal semi-annual installments on the first business day of the sixth full month following the Termination Date (as defined in the PNC Bank Credit Facility) and each first business day of each sixth month thereafter occurring prior to the Purchase Advance Final Payment Date until paid in full and, if not fully paid on the applicable Purchase Advance Final Payment Date, any balance thereof shall be fully paid on that date. Interest on any such Purchase Advance shall be payable semi-annually, in arrears, on each January 1 and July 1 during the term of each such Purchase Advance and on the applicable Purchase Advance Final Payment Date, at a fluctuating interest rate per annum equal to (i) for the period from and including the date of such Purchase Advance through and including the one hundred eightieth day (180th) day following the date of such Purchase Advance, the Base Rate (but in no event greater than the Maximum Rate), and (ii) for the period from and including the one hundred eighty-first (181st) day following the date of such Purchase Advance to and including the Purchase Advance Final Payment Date, the Base Rate plus 1.0% per annum (but in no event greater than the Maximum Rate); *provided* that from and after the occurrence of an Event of Default, all outstanding Purchase Advances shall bear interest at the lesser of the (i) Base Rate plus \_\_\_\_\_% per annum and (ii) the Maximum Rate. If an Alternate Credit Facility is delivered pursuant to this 2021 Series B Resolution, any term-out provisions for the 2021 Series B Bonds owned by the successor provider of an Alternate Credit Facility shall be set forth in the Credit Agreement with respect to such Alternate Credit Facility.

(2) Mode Period; R-FLOATS Change Date. The Mode Period from the date of issuance of the 2021 Series B Bonds shall be as set forth in Section [2.04(a)(1)] of this 2021 Series B Resolution. Thereafter, unless Conversion has occurred, the Commission may designate an alternate Mode Period with respect to any 2021 Series B Bonds. The Commission shall give written notice of an alternate Mode Period to the other Notice Parties and, following receipt of such written notice from the Commission, the Trustee shall give written notice of such Mode Change to the Holders and to Moody’s, each in accordance with the provisions of the Mode Period Chart; provided, however, that each Mode Change Date must be an Effective Rate Date for such alternate Mode Period. The Commission shall give notice to the Notice Parties of an R-FLOATS Change Date at least twenty (20) days before such R-FLOATS Change Date and the Trustee shall give notice to the Holders of an R-FLOATS Change Date at least 15 days before such R-FLOATS Change Date. The Commission may revoke each notice of a Mode Change or R-FLOATS Change Date on 3 days’ notice, in which event no such Mode Change or related mandatory tender of 2021 Series B Bonds will occur.

Promptly upon receipt of such notice from the Commission, in accordance with the provisions of the Mode Period Chart, the Trustee shall notify each Holder of the new designated Mode Period and of the applicable Rate Determination Date, Effective Rate Date, Statement of Effective Rate, Irrevocable Notice of Tender by Holders/Tender and Purchase Date (within Mode Period) and Written Mode Change Notice and Notice of Mandatory Tender, each of which shall be determined in accordance with the following chart (the “Mode Period Chart”):

**MODE CHART FOR VARIABLE RATE BONDS**

	<b>DAILY MODE</b>	<b>WEEKLY MODE</b>	<b>MONTHLY MODE</b>	<b>QUARTERLY MODE</b>	<b>SEMIANNUAL MODE</b>
<b>Rate Determination Date</b>	Each Business Day by 10:00 A.M. <sup>1</sup>	For Credit Facility Bonds, day preceding Effective Rate Date by 4:00 P.M. For R-FLOATS, day preceding Effective Rate Date by 4:00 P.M.	First Business Day preceding Effective Rate Date by 4:00 P.M.	First Business Day preceding Effective Rate Date by 4:00 P.M.	First Business Day preceding Effective Rate Date by 4:00 P.M.
<b>Effective Rate Date</b>	Daily	<ul style="list-style-type: none"> <li>• For Credit Facility Bonds, each Thursday;</li> <li>• For R-FLOATS, each Thursday</li> </ul>	First day of each calendar month	January 1, April 1, July 1 and October 1 of each year	January 1 and July 1 of each year
<b>Statement of Effective Rate</b>	Trustee to provide or cause to be provided to Holder monthly statement of Daily Effective Rates for prior month within 7 Business Days of end of each calendar month	Trustee to provide or cause to be provided to Holder monthly statement of Weekly Effective Rates for prior month within 7 Business Days of end of each calendar month	Trustee to provide or cause to be provided to Holder notice of Effective Rate within 7 Business Days following the respective Rate Determination Dates	Trustee to provide or cause to be provided to Holder notice of Effective Rate within 7 Business Days following the respective Rate Determination Dates	Trustee to provide or cause to be provided to Holder notice of Effective Rate within 7 Business Days following the respective Rate Determination Dates
<b>For Credit Facility Bonds: Irrevocable Notice of Tender by Holder to Remarketing Agent or Tender Agent and Tender and Purchase Date (Within Mode Period)</b>	Notice by Holder to Remarketing Agent, and Tender Agent not later than 11:00 A.M. on any Business Day, which day shall also be the Tender and Purchase Date	Notice by Holder to Remarketing Agent, and Tender Agent not later than 4:00 P.M. on any Business Day at least 7 calendar days prior to the purchase date, which shall be any Business Day and shall be set forth in the Tender Notice	Notice by Holder to Remarketing Agent, and Tender Agent not later than 5:00 P.M. on the Business Day 7 days prior to next Effective Rate Date, which date is the Tender and Purchase Date and shall be set forth in the Tender Notice	Notice by Holder to Tender Agent not later than 5:00 P.M. on the Business Day 13 days prior to next Effective Rate Date, which date is the Tender and Purchase Date and shall be set forth in the Tender Notice	Notice by Holder to Tender Agent not later than 5:00 P.M. on the Business Day 15 days prior to next Effective Rate Date, which date is the Tender and Purchase Date and shall be set forth in the Tender Notice

<sup>1</sup> All times referred to in this Mode Chart for Variable Rate Bonds are New York City time.

	<b>DAILY MODE</b>	<b>WEEKLY MODE</b>	<b>MONTHLY MODE</b>	<b>QUARTERLY MODE</b>	<b>SEMIANNUAL MODE</b>
<b>R-FLOATS: Irrevocable Notice of Tender by Holder to Remarketing Agent or Tender Agent and Tender and Purchase Date (Within Mode Period)</b>	Notice by Holder to Remarketing Agent not later than 11:00 A.M. on any Business Day, which day shall also be the Tender and Purchase Date	Notice by Holder to Remarketing Agent not later than 3:00 P.M. on the first Business Day preceding the next Effective Rate Date, which date is the Tender and Purchase Date and shall be set forth in the Tender Notice	Notice by Holder to Remarketing Agent not later than 4:00 P.M. on the first Business Day preceding the next Effective Rate Date, which date is the Tender and Purchase Date and shall be set forth in the Tender Notice	Notice by Holder to Tender Agent not later than 4:00 P.M. on the first Business Day preceding the next Effective Rate Date, which date is the Tender and Purchase Date and shall be set forth in the Tender Notice	Notice by Holder to Tender Agent not later than 4:00 P.M. on the first Business Day preceding the next Effective Rate Date, which date is the Tender and Purchase Date and shall be set forth in the Tender Notice
<b>Written Mode Change Notice; Mandatory Tender Notice</b>	<ul style="list-style-type: none"> <li>• Commission to give notice to Notice Parties of Mode Change Date 20 days prior to Mode Change Date</li> <li>• Trustee to give notice to Holders 15 days prior to Mode Change Date</li> </ul>	<ul style="list-style-type: none"> <li>• Commission to give notice to Notice Parties of Mode Change Date 20 days prior to Mode Change Date</li> <li>• Trustee to give notice to Holders 15 days prior to Mode Change Date</li> </ul>	<ul style="list-style-type: none"> <li>• Commission to give notice to Notice Parties of Mode Change Date 20 days prior to Mode Change Date</li> <li>• Trustee to give notice to Holders 15 days prior to Mode Change Date</li> </ul>	<ul style="list-style-type: none"> <li>• Commission to give notice to Notice Parties of Mode Change Date 20 days prior to Mode Change Date</li> <li>• Trustee to give notice to Holders 15 days prior to Mode Change Date</li> </ul>	<ul style="list-style-type: none"> <li>• Commission to give notice to Notice Parties of Mode Change Date 20 days prior to Mode Change Date</li> <li>• Trustee to give notice to Holders 15 days prior to Mode Change Date</li> </ul>

(3) Notwithstanding any provision herein to the contrary, so long as a Credit Facility is in effect with respect to the 2021 Series B Bonds, the Commission shall not effect a change in Mode with respect to all or any portion of the 2021 Series B Bonds if such Credit Facility does not permit draws to be made thereunder for the payment of 2021 Series B Bonds in such changed Mode, and in such event, the Trustee shall not make any draws under the Credit Facility with respect to the 2021 Series B Bonds if such Credit Facility does not permit draws to be made thereunder for the payment of Credit Facility Bonds in such changed Mode.

**Section 2.05. Conversion to Fixed Interest Rate or Indexed Rate.** (a) The Commission may at its option, with receipt of an opinion of Bond Counsel to the effect that the Conversion of the 2021 Series B Bonds will not adversely affect the exclusion of interest on the 2021 Series B Bonds from gross income for federal income tax purposes, Convert the interest rates on all or a portion of the 2021 Series B Bonds (other than Bonds previously Converted) on any Effective Rate Date to Fixed Interest Rates or an Indexed Rate as described herein upon a written notice to the other Notice Parties that the Commission will cause a Conversion of the 2021 Series B Bonds (or such portion thereof) on the Conversion Date set forth in such written notice, which Conversion Date shall not occur sooner than 30 days or more than 60 days after the date of such notice and, with respect to any Conversion of 2021 Series B Bonds to Indexed Rate Bonds, which notice shall specify the Index Rate Determination Method with respect to such Bonds.

(b) Prior to the Conversion of any of the 2021 Series B Bonds, the Trustee shall deliver a notice to the Holders of the 2021 Series B Bonds to be Converted setting forth the following information:

- (1) that the interest rate on such 2021 Series B Bonds will be converted to a Fixed Interest Rate or an Indexed Rate, as applicable;
- (2) the proposed Conversion Date;
- (3) that such 2021 Series B Bonds will be remarketed by the Remarketing Agent or purchased by the Tender Agent on the Conversion Date; and
- (4) that the Commission may elect to cancel such Conversion, notice of which shall be given to Bondholders at least 3 days prior to the proposed Conversion Date.

If the Commission elects not to proceed with such Conversion, the Commission shall give notice of the cancellation of the Conversion to the Notice Parties at least ten (10) days prior to the proposed Conversion for which notice has been given and, thereafter, the Trustee shall give notice to each Holder of the 2021 Series B Bonds of such cancellation of the proposed Conversion at least one week prior to the proposed Conversion Date for which the foregoing notice was given.

(c) Upon any Conversion, the 2021 Series B Bonds to be Converted shall be subject to mandatory tender in accordance with this Section [2.05] and Section [2.14] hereof, and the Holders thereof shall be notified of such Conversion as provided herein. No 2021 Series B Bonds to be Converted shall be remarketed by the Remarketing Agent subsequent to the date of

notice of such Conversion except to purchasers who agree to accept the Fixed Interest Rate or the Indexed Rate, as applicable.

(d) Any 2021 Series B Bonds that are Converted will bear interest at the Fixed Interest Rate determined upon such Conversion or the Indexed Rate with respect thereto determined from time to time in accordance with the provisions hereof, as applicable, until the maturity or prior redemption thereof. The Remarketing Agent shall determine (i) in the case of a Conversion of a 2021 Series B Bonds to Fixed Rate Bonds, the Fixed Interest Rates as those rates which, in the determination of the Remarketing Agent, would result as nearly as practicable in the market value of such Converted 2021 Series B Bonds on the Conversion Date being 100% of the principal amount thereof and (ii) in the case of a Conversion of 2021 Series B Bonds to Indexed Rate Bonds, the Index Adjustment Factor or Index Percentage, as applicable, with respect to such Bonds as the Index Adjustment Factor or Index Percentage, as applicable, which, in the determination of the Remarketing Agent, would result as nearly as practicable in the market value of such Converted 2021 Series B Bonds on the Conversion Date being 100% of the principal amount thereof. The Remarketing Agent shall notify the Notice Parties of the Fixed Interest Rates or the Index Adjustment Factor or Index Percentage, as applicable, as soon as practicable following the Conversion Date. The determination by the Remarketing Agent of the Fixed Interest Rates to be borne by or the Index Adjustment Factor or Index Percentage with respect to 2021 Series B Bonds in accordance with this Section 2.05 shall be conclusive and binding on the Holders of the 2021 Series B Bonds and the other Notice Parties, except as otherwise provided herein. The 2021 Series B Bonds tendered but not Converted shall bear interest in such Mode as determined by the Commission in accordance with Section 2.04(b)(2) hereof.

(e) Unless and until all conditions for the Conversion of any 2021 Series B Bonds are satisfied, such Bonds shall bear interest at the Effective Rate.

(f) On any Conversion Date for the 2021 Series B Bonds, all 2021 Series B Bonds subject to Conversion on such Conversion Date shall automatically, upon such Conversion, bear a subseries designation. For example, the first such 2021 Series B Bonds so Converted shall be redesignated "2021 Series B-1" and the second such 2021 Series B Bonds so Converted shall be redesignated "2021 Series B-2." Such redesignations shall be consecutively numbered and shall continue in like manner until all Outstanding 2021 Series B Bonds shall have been Converted to Fixed Rate Bonds or Indexed Rate Bonds. The Trustee, with the cooperation of the Commission, shall cause the preparation, execution, issuance, authentication and delivery of replacement Bonds in connection with a Conversion.

(g) Upon making an election to Convert 2021 Series B Bonds to Indexed Rate Bonds, the Commission shall, for such bonds, select the method for determining the Index Rate on each Index Determination Date from among the options described in paragraphs (1), (2), (3) or (4) below, and shall specify such method in its notice to the Trustee in connection with such Conversion. Upon Conversion of any 2021 Series B Bonds to an Index Rate, the Index Rate Determination Method so selected for such bonds shall be irrevocable. Nothing herein shall limit the Commission from Converting different groups of 2021 Series B Bonds to Index Rates at different times or from choosing different Index Rate Determination Methods for different groups of 2021 Series B Bonds.

- (1) Index Bonds may bear interest during each Index Accrual Period at SIFMA multiplied by the Index Percentage determined for such bonds; or
- (2) Index Bonds may bear interest during each Index Accrual Period at SIFMA plus or minus the Index Adjustment Factor for such bonds; or
- (3) Index Bonds may bear interest during each Index Accrual Period at [Three-Month LIBOR] multiplied by the Index Percentage determined for such bonds; or
- (4) Index Bonds may bear interest during each Index Accrual Period at [Three-Month LIBOR] plus or minus the Index Adjustment Factor for such bonds.

**Section 2.06. *Original Reoffering Price.*** The Original Reoffering Price of the 2021 Series B Bonds shall be \$\_\_\_\_\_.

**Section 2.07. *Denominations, Numbers and Letters.*** The 2021 Series B Bonds shall be issued as fully registered Bonds without coupons. Prior to a Conversion Date, the 2021 Series B Bonds shall be issued in denominations of (i) during a Daily Mode Period, a Weekly Mode Period, a Monthly Mode Period or a Quarterly Mode Period with respect to Credit Facility Bonds, \$100,000 or integral multiples of \$5,000 in excess of \$100,000; (ii) while the Variable Rate Bonds are R-FLOATS, \$25,000 or integral multiples of \$5,000 in excess thereof; or (iii) during a Semiannual Mode Period, \$5,000 or any integral multiple thereof. From and after a Conversion Date, the 2021 Series B Bonds shall be issuable as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. The 2021 Series B Bonds shall be numbered consecutively from one upwards with the prefix RB preceding each number.

**Section 2.08. *Exchange of 2021 Series B Bonds.*** Subject to the limitations and upon payment of the charges provided in the Bond Resolution, the 2021 Series B Bonds, upon surrender thereof at the designated corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner thereof or by his or her attorney duly authorized in writing, may be exchanged, at the option of the registered owner thereof, for a like aggregate principal amount of registered 2021 Series B Bonds without coupons of other authorized denominations of the same series and the same maturity. None of the 2021 Series B Bonds may be exchanged for coupon Bonds.

**Section 2.09. *Trustee, Registrar and Paying Agent.*** The Bank of New York Mellon Trust Company, N.A., is hereby appointed the Trustee, Registrar and Paying Agent of the 2021 Series B Bonds.

**Section 2.10. *Redemption from Special Redemption Account.*** (a) The 2021 Series B Bonds are subject to redemption at the option of the Commission, in whole or in part, at any time, from moneys deposited in the 2021 Series B Mortgage Loan Account and not used to make or purchase Mortgage Loans or purchase Guaranteed Mortgage Securities, at a price equal to, (i) for the 2021 Series B PAC Bonds, at the respective redemption prices (expressed as percentages of the respective principal amounts thereof) set forth in Exhibit A attached hereto, plus accrued interest thereon, if any, to the date fixed for redemption, and (ii) for all other 2021 Series B



Bonds, at the principal amount thereof plus accrued interest, if any, to the redemption date without premium, calculated as of the redemption date.

The 2021 Series B Bonds are subject to redemption at the option of the Commission, in whole or in part, at any time, at a price equal to the principal amount thereof plus accrued interest thereon, if any, to the date fixed for redemption, from Revenues relating to any Series of Bonds (primarily payments of principal and interest and Prepayments of principal on Mortgage Loans and Guaranteed Mortgage Securities and earnings on Permitted Investments) and any amounts available as a result of a reduction in the reserve requirements established pursuant to the Resolutions, which are in excess of the amount required to pay principal of and interest on the Bonds in the then current year.

The 2021 Series B Bonds are subject to redemption in part from a portion of the moneys on deposit in the 2021 Series B Mortgage Loan Account in the amount of \_\_\_\_\_, if such moneys are not applied to the purchase of Mortgage Loans or Guaranteed Mortgage Securities by the date set forth in the final cash flows prepared for the issuance of the 2021 Series B Bonds, unless the Commission prepares cash flows reflecting a later acquisition period and receives confirmation from any rating agency that has an outstanding rating on the 2021 Series B Bonds, at the Commission’s request, that the rating on the Bonds will not be lowered or withdrawn.

To comply with certain provisions of federal tax law, \$\_\_\_\_\_ of the funds deposited in the 2021 Series B Mortgage Loan Account are required to be applied to the redemption of the 2021 Series B Bonds no later than \_\_\_\_\_ to the extent that, on or before such date, such amount has not been applied to the purchase of Mortgage Loans and Guaranteed Mortgage Securities or to the earlier redemption of the 2021 Series B Bonds. In addition, the following percentages of scheduled payments and Prepayments of principal of Mortgage Loans and Guaranteed Mortgage Securities financed with the proceeds of the 2021 Series B Bonds received on or after the following dates, are required to be applied no later than the close of the first semi-annual period beginning after the date of receipt to the retirement of the 2021 Series B Bonds through the payment thereof at maturity or upon redemption.

<u>Date</u>	<u>Percent</u>	<u>Date</u>	<u>Percent</u>
June ___, 2021	%		%

The Commission may redeem the 2021 Series B Bonds, including the 2021 Series B PAC Bonds (but only to the extent as described herein) in amounts greater than such percentages from available amounts in the Revenue Fund.

(b) An amount equal to 100% of Prepayments of Mortgage Loans and Guaranteed Mortgage Securities financed with the proceeds of the 2021 Series B Bonds will be applied at least once during each semi-annual period to the redemption of the 2021 Series B PAC Bonds at par in an amount up to the cumulative amounts set forth in the following table, prior to the redemption of other 2021 Series B Bonds.

<u>Semi-Annual Period Ending</u>	<u>Cumulative Amount</u>	<u>Semi-Annual Period Ending</u>	<u>Cumulative Amount</u>
	\$		\$

Such cumulative amounts are derived from certain assumptions related to the Mortgage Loans and Guaranteed Mortgage Securities financed with the proceeds of the 2021 Series B Bonds, including the assumptions that all such newly purchased Mortgage Loans and Guaranteed Mortgage Securities are purchased by \_\_\_\_\_ and Prepayments on all such Mortgage Loans and Guaranteed Mortgage Securities are received at a rate equal to 100% of the Securities Industry and Financial Markets Association Standard Prepayment Model (the “SIFMA Model,” as described below) and that 100% of such Prepayments will be used to redeem the 2021 Series B PAC Bonds. Prepayments of Mortgage Loans and Guaranteed Mortgage Securities will be applied to the redemption of the 2021 Series B PAC Bonds, but only to the extent that such redemptions do not exceed the cumulative amounts set forth in the above table (provided that such prepayments may be applied to the redemption of 2021 Series B PAC Bonds in excess of such cumulative amounts if such redemption is necessary to preserve the tax-exempt status of the 2021 Series B Bonds). If the 2021 Series B Bonds are redeemed from moneys deposited in the 2021 Series B Mortgage Loan Account and not used to make or purchase Mortgage Loans or purchase Guaranteed Mortgage Securities, then the amount of the 2021 Series B PAC Bonds redeemed will be proportional to the total amount of 2021 Series B Bonds being redeemed, and each cumulative amount set forth in the table above will be recalculated to be equal to the product of (1) such amount and (2) the fraction whose numerator is equal to the remainder of (a) the total amount originally deposited in the 2021 Series B Mortgage Loan Account less (b) the cumulative amount of the proceeds of the 2021 Series B Bonds that have been used to so redeem the 2021 Series B Bonds, and whose denominator is equal to the total amount originally deposited in the 2021 Series B Mortgage Loan Account. If the amount available for such redemption is less than \$100,000, the Commission may delay redemption of the 2021 Series B PAC Bonds until the amount of Prepayments available totals \$100,000 or more.

Prepayments of Mortgage Loans and Guaranteed Mortgage Securities financed with the proceeds of the 2021 Series B Bonds in excess of the aggregate amounts set forth in the table above and up to the cumulative amounts set forth in the following table, will be applied to the redemption at par of the 2021 Series B Bonds, excluding the 2021 Series B PAC Bonds (provided that such prepayments may be used to redeem the 2021 Series B PAC Bonds, if such redemption is necessary to preserve the tax-exempt status of the 2021 Series B Bonds). Prepayments in excess of cumulative amounts set forth in the following table may be applied by the Commission to the redemption of the 2021 Series B Bonds, including the 2021 Series B PAC Bonds. The cumulative amounts in the following table are derived from certain assumptions related to Mortgage Loans and Guaranteed Mortgage Securities financed with the proceeds of

the 2021 Series B Bonds including the assumptions that newly-purchased Mortgage Loans and Guaranteed Mortgage Securities, or participations therein, are purchased by \_\_\_\_\_ and prepayments on all such Mortgage Loans and Guaranteed Mortgage Securities are received at a rate equal to 400% of the SIFMA Model. If the 2021 Series B Bonds are redeemed from moneys deposited in the 2021 Series B Mortgage Loan Account and not used to make or purchase Mortgage Loans or purchase Guaranteed Mortgage Securities, each cumulative amount set forth in the table below will be recalculated to be equal to the product of (1) such amount and (2) the fraction whose numerator is equal to the remainder of (a) the total amount originally deposited in the 2021 Series B Mortgage Loan Account less (b) the cumulative amount of the proceeds of the 2021 Series B Bonds that have been used to so redeem the 2021 Series B Bonds, and whose denominator is equal to the total amount originally deposited in the 2021 Series B Mortgage Loan Account.

<u>Semi-Annual Period Ending</u>	<u>Cumulative Amount</u>	<u>Semi-Annual Period Ending</u>	<u>Cumulative Amount</u>
	\$		\$

**Section 2.11. Redemption from Optional Redemption Account.** (a) The 2021 Series B Bonds maturing on or after \_\_\_\_\_ are subject to redemption or purchase in lieu of redemption, at the option of the Commission, from moneys in the Optional Redemption Account in the Redemption Fund, in whole or in part, at any time on or after \_\_\_\_\_, at one hundred percent (100%) of the principal amount thereof, plus accrued interest thereon, if any, to the redemption or purchase date, plus accrued interest, if any to the redemption date.

To exercise the option to purchase the 2021 Series B Bonds in lieu of redemption pursuant to this section, the Commission shall deliver written notice thereof to the Trustee no later than 12:00 Noon, New York City Time, on the date the 2021 Series B Bonds would otherwise have been redeemed (the "Purchase-in-Lieu Date"), and the Commission shall transfer or cause to be transferred to the Trustee the moneys required to purchase the 2021 Series B Bonds no later than 12:00 Noon, New York City Time, on such Purchase-in-Lieu Date. If notice of redemption has been given as required under the Bond Resolution, no additional notice to the Bondholders shall be required to be given of the exercise by the Commission of the option to purchase 2021 Series B Bonds pursuant to this Section. All 2021 Series B Bonds shall be deemed to have been purchased on the Purchase-in-Lieu Date provided funds sufficient to purchase the 2021 Series B Bonds on the Purchase-in-Lieu Date have been deposited with the Trustee, and from and after such Purchase-in-Lieu Date, interest shall cease to accrue on the 2021 Series B Bonds to the prior Bondholders, and the prior owners thereof shall have no rights with respect to such 2021 Series B Bonds except to receive payment of the purchase price thereof and accrued interest to the Purchase-in-Lieu Date. Notwithstanding such purchase, the 2021 Series B Bonds shall remain Outstanding for all purposes under this 2021 Series B Resolution and the Bond Resolution. Failure to mail the related notice of redemption or any

defect therein shall not affect the validity of the purchase of the 2021 Series B Bonds. The Commission's notice of purchase in lieu of redemption may be conditioned upon receipt of funds by the Trustee or may be withdrawn at any time as specified therein. The Commission's notice of purchase in lieu of redemption may be given in conjunction with a notice of redemption given pursuant to the Bond Resolution, in which case it shall so state and shall provide that a withdrawal of the purchase notice will not constitute a withdrawal of the redemption notice unless otherwise specified therein.

(b) Notwithstanding anything in this Section 2.11 to the contrary, while the Credit Facility is in effect and the Bank is not in default thereunder, the Credit Facility shall be the sole source of payment for the 2021 Series B Bonds.

**Section 2.12. Redemption from Sinking Fund Installments.** (a) The 2021 Series B Bonds maturing on \_\_\_\_\_ are subject to mandatory redemption in part by lot on \_\_\_\_\_ and on each July 1 and January 1 thereafter, to and including \_\_\_\_\_, at the principal amount thereof, plus accrued interest thereon to the redemption date, in the years and principal amounts as follows:

<u>Year</u>	Principal Amount <u>(January)</u>	Principal Amount <u>(July)</u>	<u>Year</u>	Principal Amount <u>(January)</u>	Principal Amount <u>(July)</u>
	\$	\$		\$	\$ (maturity)

(b) The 2021 Series B Bonds maturing on \_\_\_\_\_ are subject to mandatory redemption in part by lot on \_\_\_\_\_ and on each July 1 and January 1 thereafter, to and including \_\_\_\_\_, at the principal amount thereof, plus accrued interest thereon to the redemption date, in the years and principal amounts as follows:

<u>Year</u>	Principal Amount <u>(January)</u>	Principal Amount <u>(July)</u>	<u>Year</u>	Principal Amount <u>(January)</u>	Principal Amount <u>(July)</u>
	\$	\$		\$	\$ (maturity)

(c) The 2021 Series B Bonds maturing on \_\_\_\_\_ are subject to mandatory redemption in part by lot on \_\_\_\_\_ and on each July 1 and January 1 thereafter, to and including \_\_\_\_\_, at the principal amount thereof, plus accrued interest thereon to the redemption date, in the years and principal amounts as follows:

<u>Year</u>	Principal Amount (January)	Principal Amount (July)	<u>Year</u>	Principal Amount (January)	Principal Amount (July)
	\$	\$		\$	\$

(maturity)

(d) The 2021 Series B Bonds maturing on \_\_\_\_\_ are subject to mandatory redemption in part by lot on \_\_\_\_\_ and on each January 1 and July 1 thereafter, to and including \_\_\_\_\_, at the principal amount thereof, plus accrued interest thereon to the redemption date, in the years and principal amounts as follows:

<u>Year</u>	Principal Amount (January)	Principal Amount (July)	<u>Year</u>	Principal Amount (January)	Principal Amount (July)
	\$	\$		\$	\$

(maturity)

Notwithstanding anything in this Section 2.12 to the contrary, while the Credit Facility is in effect and the Bank is not in default thereunder, the Credit Facility shall be the source of payment of the sinking fund redemption payments for the 2021 Series B Bonds.

**Section 2.13. Holders' Election to Tender.** Prior to any Conversion, Holders of Credit Facility Bonds may elect to tender their 2021 Series B Bonds, which, if so tendered upon proper notice to the Remarketing Agent and Tender Agent in the manner set forth in the Mode Period Chart, will be purchased on such next Effective Rate Date (or, in the case of Credit Facility Bonds in a Weekly Mode, on the purchase date specified in the Tender Notice) at the Purchase Price. Such notice of tender for purchase of 2021 Series B Bonds by the Holders thereof shall be in writing and shall be irrevocable once such notice is given to the Remarketing Agent or the Tender Agent, as directed in the Mode Period Chart.

Prior to Conversion, holders of R-FLOATS may elect to tender their R-FLOATS, which, if so tendered upon proper notice to the Remarketing Agent or the Tender Agent, as applicable, at the times and in the manner set forth in the "Mode Chart for Variable Rate Bonds," will be purchased on the next Effective Rate Date at a price equal to 100% of the principal amount thereof plus accrued interest. Such notice of optional tender for purchase of R-FLOATS by the Holders thereof will be irrevocable once such notice is given to the Remarketing Agent. Upon receipt of a notice of optional tender for purchase of R-FLOATS by the Holders thereof, the Remarketing Agent shall promptly notify the Tender Agent of receipt of such notice. Such notice of tender for purchase of R-FLOATS by the Holders thereof shall be in writing and shall be irrevocable once such notice is given to the Remarketing Agent or the Tender Agent as directed in the Mode Period Chart.

**Section 2.14. *Mandatory Tender.*** (a) The Variable Rate Bonds or any portion thereof, as applicable, are subject to mandatory tender for purchase (with no right to retain) (i) on each Mode Change Date and each R-FLOATS Change Date, (ii) with respect to a Credit Expiration Event, not less than five Business Days prior to the scheduled expiration or earlier termination of the Credit Facility, (iii) on each Conversion Date, and (iv) after receipt by the Trustee of a written notice from the Bank that an event of default under the Credit Agreement has occurred and is continuing, and a written request from the Bank that all of the Credit Facility Bonds be required to be tendered for purchase on the date set forth therein, but in no event later than the date the Credit Facility will terminate as a result of such event of default (each a “Mandatory Tender Date”), at the Purchase Price, subject to the conditions described herein.

(b) In connection with any mandatory tender of Variable Rate Bonds on a Mandatory Tender Date, the Trustee shall deliver a notice of mandatory tender stating the reason for the mandatory tender to Holders at least 15 days prior to the Mandatory Tender Date (except in the case of a Mandatory Tender Date pursuant to clause (iv) in the preceding subsection (a) above, in which case, the Trustee shall deliver the maximum possible number of days of prior notice before the Mandatory Tender Date (which may be no notice, but in no event more than fifteen (15) days’ notice), and that all Holders subject to such mandatory tender shall be deemed to have tendered their Variable Rate Bonds upon such date. So long as all of the 2021 Series B Bonds are registered in the name of Cede & Co., as nominee for DTC, such notice will be delivered to DTC or its nominee as registered owner of such 2021 Series B Bonds. DTC is responsible for notifying DTC Participants, and DTC Participants and Indirect Participants are responsible for notifying beneficial owners of the 2021 Series B Bonds. Neither the Trustee nor the Commission is responsible for sending notices to beneficial owners. The Commission shall give notice of any Mandatory Tender Date to Moody’s at least 15 days prior to such date (except in the case of a Mandatory Tender Date pursuant to clause (v) in the preceding subsection (a) above, as described hereinabove).

(c) On each date on which Variable Rate Bonds are required to be tendered and purchased, the Remarketing Agent shall use its best efforts as described herein to sell such Variable Rate Bonds. In the event the Remarketing Agent is unable to remarket the Credit Facility Bonds so tendered, moneys drawn under the Credit Facility shall, pursuant to Section 5.01, be applied to purchase such Bonds (hereinafter called “Bank Bonds”) in accordance with and subject to the terms and conditions of the Credit Facility. In the event the Remarketing Agent is unable to remarket any R-FLOATS so tendered, such R-FLOATS will bear interest at the R-FLOATS Non-Remarketed Rate.

(d) Any Variable Rate Bond not tendered and delivered to the Tender Agent on or prior to its Mandatory Tender Date (“Untendered Bonds”), for which there have been irrevocably deposited in trust with the Trustee the Purchase Price equal to the principal amount of such Variable Rate Bonds plus accrued interest shall be deemed to have been tendered and purchased on such Mandatory Tender Date. Holders of Untendered Bonds shall not be entitled to any payment (including any interest to accrue on or after the Mandatory Tender Date) other than the principal amount of such Untendered Bonds, plus accrued interest to the day preceding the Mandatory Tender Date, and said Holders shall no longer be entitled to the benefits of the Bond Resolution, except for the purpose of payment of the Purchase Price. Bond certificates will be issued in place of Untendered Bonds and, after the issuance of the replacement Variable Rate

Bond certificates, such as Untendered Bonds will be deemed purchased, canceled, and no longer Outstanding under the Bond Resolution.

(e) [Reserved].

(f) R-FLOATS WILL NOT BE SUPPORTED BY A LETTER OF CREDIT, LINE OF CREDIT, STANDBY BOND PURCHASE AGREEMENT OR ANY OTHER CREDIT FACILITY. If the Remarketing Agent cannot successfully remarket any R-FLOATS subject to optional or mandatory tender for purchase, the holders thereof do not have the right to have such R-FLOATS purchased upon tender. Any R-FLOAT that is subject to optional or mandatory tender for purchase that the Remarketing Agent, after using its best efforts, is unable to remarket in accordance with this 2021 Series B Resolution, at a price equal to 100% of the principal amount thereof, plus accrued interest, by 2:00 P.M., on the date scheduled for such purchase, whether such inability is because of market conditions or otherwise, will bear interest at the R-FLOATS Non-Remarketed Rate and will not be subject to tender for purchase as described in Sections 2.13 and 2.14 hereof.

(g) The Remarketing Agent will continue to use its best efforts each Business Day during the Non-Remarketing Period (defined below) to remarket such R-FLOAT in accordance with this 2021 Series B Resolution at a price equal to 100% of the principal amount thereof, plus accrued interest. In connection therewith, the Remarketing Agent will consider each such day to be a Rate Determination Date for such R-FLOAT.

(h) During the period of time from and including the initial date that any such R-FLOAT was to be purchased to (but not including) the date that such R-FLOAT is successfully remarketed (the "Non-Remarketing Period"), such R-FLOAT will bear interest at a rate per annum equal to the R-FLOATS Non-Remarketed Rate (but not to exceed the Maximum Rate) determined from time to time in accordance with Section 2.04(b)(1).

(i) Notwithstanding the foregoing provisions, if a failure to pay principal, interest or premium on any R-FLOAT when due shall have occurred, such R-FLOATS shall bear interest during each Mode Period for any portion thereof at a rate per annum equal to the R-FLOATS Default Rate for such period from the time from and including the initial date of such failure to (but not including) the date on which such failure shall have ceased to be continuing.

**Section 2.15. *Limitation Upon Defeasance of Variable Rate Bonds.*** Notwithstanding the provisions of the Bond Resolution relating to the defeasance of the Bonds, the defeasance of 2021 Series B Bonds that are Variable Rate Bonds bearing interest in a Mode other than the Semiannual Mode shall be conditioned upon receipt by the Trustee of written evidence from Moody's that its rating then in effect on such Bonds shall not be reduced or withdrawn due to the defeasance.

**Section 2.16. *Commission Not Responsible to Bondholders for Bank's Failure to Purchase 2021 Series B Bonds.*** The Commission is not responsible to Bondholders for any failure by the Bank to purchase Credit Facility Bonds tendered at the option of the Holder or subject to mandatory tender for purchase pursuant to this 2021 Series B Resolution, nor upon the occurrence of a termination event in the Credit Facility; provided that if the Commission is the

Bank, the Commission shall be responsible for the foregoing to the extent provided by and in accordance with the related Self Liquidity. In the event that the Bank fails for any reason to purchase Credit Facility Bonds tendered or deemed tendered for purchase by the Holders thereof, the Credit Facility Bonds shall bear interest at an interest rate determined on a weekly basis to be the lesser of (a) the SIFMA Index plus 1.00% or (b) the Maximum Rate, and the holders of such Credit Facility Bonds shall not have the right to tender their Bonds during the period that the interest rate is so determined.

**Section 2.17. *Issue and Sale of 2021 Series B Bonds.*** The 2021 Series B Bonds authorized to be issued herein shall be sold to BofA Securities, Inc., PNC Capital Markets LLC, M&T Securities Inc., Morgan Stanley & Co., RBC Capital Markets, LLC and Wells Fargo Bank, National Association (collectively, the “Underwriters”) at the aggregate price of \$\_\_\_\_\_ on the terms and conditions set forth in the Contract of Purchase dated \_\_\_\_\_, 2021, by and between the Underwriters and the Commission (the “Contract of Purchase”). The Underwriters will receive an underwriting fee of \$\_\_\_\_\_ relating to the sale of the 2021 Series B Bonds. Kutak Rock LLP, Washington, D.C., is hereby appointed as Bond Counsel in connection with the issuance of the 2021 Series B Bonds.

**Section 2.18. *Delivery of 2021 Series B Bonds.*** (a) The 2021 Series B Bonds shall be delivered, upon compliance with the provisions of the Bond Resolution to the order of the Underwriters named in Section 2.13 hereof, at such time and place as provided in, and subject to, the provisions of the Contract of Purchase.

(b) The Commission adopts the expectations, beliefs, assumptions and representations expressed and made on behalf of the Commission in the Preliminary Official Statement relating to the 2021 Series Bonds dated \_\_\_\_\_ and in the Official Statement relating to the 2021 Series Bonds, dated \_\_\_\_\_ (the “Official Statement”) and hereby ratifies the Underwriters’ use and distribution of the Preliminary Official Statement in selling the 2021 Series Bonds.

(c) The execution and distribution of the Official Statement and the execution of the Contract of Purchase are hereby approved and ratified.

(d) The Executive Director, Chair, Vice-Chair or Chair pro tem are authorized to make such changes, deletions and additions to the provisions of this 2021 Series B Resolution, consistent with the purposes of this 2021 Series B Resolution, as they deem necessary or advisable to issue the 2021 Series B Bonds.

**Section 2.19. *Further Authority.*** The Chair, Vice-Chair, Chair pro tem and Executive Director of the Commission are, and each of them is, hereby authorized to do or perform all such acts and to execute all such certificates, documents and other instruments as they or either of them deem necessary or advisable to provide for the issuance, sale and delivery of the 2021 Series B Bonds.

**Section 2.20. *Trustee Authority to Facilitate Use of Securities Depository.*** The authorized officers of the Trustee are, and each of them is, hereby authorized to do or perform such acts and to execute all such certificates, documents and other instruments as they or any of



them deem necessary or advisable to facilitate the efficient use of a securities depository for all or any portion of the 2021 Series B Bonds; provided that neither the Trustee nor the Commission may assume: (i) any obligations to such securities depository or beneficial owners of Bonds that are inconsistent with their obligations to any registered bondholder under this 2021 Series B Resolution or the Bond Resolution or (ii) any obligation which would directly or indirectly create obligations on the part of the Trustee or the Commission to persons who own 2021 Series B Bonds or interests therein but who are not registered owners of 2021 Series B Bonds, unless the Commission shall have consented in writing to such obligations.

**Section 2.21. *Special Procedures Relating to Partial Redemptions.*** Notwithstanding the provisions of Section 4.05 of the Bond Resolution, the Commission, with the prior written consent of the Trustee, may enter into an agreement with an owner of any 2021 Series B Bond having a denomination greater than \$5,000 providing that such registered owner is authorized to effect a reduction in the face amount of such 2021 Series B Bond by making a notation indicating the principal amount of such redemption and the date thereof on the payment grid attached to such 2021 Series B Bond in lieu of surrendering such 2021 Series B Bond to the Trustee for cancellation and the issuance of a new bond or bonds in the amount of the unredeemed portion thereof in accordance with Section 4.05 of the Bond Resolution. If the Commission and an owner enter into such an agreement, the records of the Trustee shall be conclusive in determining the outstanding principal amount of any 2021 Series B Bond affected by the agreement, notwithstanding the failure of the owner to make any notation on the payment grid attached to such 2021 Series B Bond of the redemption of a portion thereof, and shall be binding upon the owner, any heirs, personal representatives, successors or assigns, or any transferee or purchaser of such 2021 Series B Bond. If the Commission enters into such an agreement with such an owner of any 2021 Series B Bond, a notation of the effect of such agreement may be inserted in the form of any 2021 Series B Bond to be delivered to such owner.

### ARTICLE III

#### **2021 SERIES B BONDS; ESTABLISHMENT OF CERTAIN ACCOUNTS; QUALIFIED HEDGE AGREEMENTS**

**Section 3.01. *Establishment of 2021 Series B Mortgage Loan Account.*** There is hereby established an account designated as the 2021 Series B Mortgage Loan Account, moneys in which shall be used for the purposes and as authorized by Section 5.03 of the Bond Resolution and this 2021 Series B Resolution. In addition, the Commission acknowledges that the 2021 Series B Bonds have been structured to have certain redemption priorities and protections, and the Commission covenants to apply moneys in the 2021 Series B Mortgage Loan Account to effect such priorities and protections.

**Section 3.02. *Establishment of 2021 Series B Refunding Account and 2021 Series B Rebate Account.*** (a) There is hereby established a special account separate from all other funds and accounts, irrevocably in trust for, and assigned to, the Holders of the Series B Refunded Bonds, designated as the 2021 Series B Refunding Account, moneys in which shall be used to pay the principal of the Series B Refunded Bonds upon redemption as provided in Section 3.04 hereof and for such other purposes as authorized by the Bond Resolution and this 2021 Series B Resolution.

(b) There is hereby established a special account separate from all other funds and accounts, designated as the 2021 Series B Rebate Account, as authorized by Section 5.01 of the Bond Resolution, moneys in which shall be used to pay rebate to the United States as provided in Section 3.05 hereof.

**Section 3.03. *Application of Proceeds of the 2021 Series B Bonds.*** The Trustee shall apply the proceeds of the 2021 Series B Bonds as follows:

(a) \$\_\_\_\_\_, representing a portion of the proceeds of the 2021 Series B Bonds shall be deposited into the 2021 Series B Mortgage Loan Account.

(b) \$\_\_\_\_\_, representing the remaining portion of the 2021 Series B Bonds shall be deposited into the 2021 Series B Refunding Account.

(c) On \_\_\_\_\_, 2021, the Trustee is hereby directed to transfer for deposit to the Special Redemption Account, established pursuant to Section 6.01 of the Bond Resolution, amounts on deposit in the 2021 Series B Refunding Account for application to the refunding and redemption of the Series B Refunded Bonds in accordance with Section 3.04(b) hereof on \_\_\_\_\_, 2021.

(d) No amount of the proceeds of the 2021 Series B Bonds shall be deposited in the Debt Service Reserve Fund.

(e) No amount of the proceeds of the 2021 Series B Bonds shall be deposited in the Mortgage and Special Hazard Reserve Fund.

(f) The Commission covenants to use its best efforts to apply the proceeds of or relating to the 2021 Series B Bonds in the 2021 Series B Mortgage Loan Account to make or purchase Mortgage Loans or Guaranteed Mortgage Securities, provided, however, that nothing herein shall prohibit the Commission's use of moneys in any Mortgage Loan Account if necessary to maintain the tax-exempt status of the 2021 Series B Bonds or to best achieve the objectives of the Program. In addition, the Commission acknowledges that the 2021 Series B Bonds have been structured to have certain redemption priorities and protections, and the Commission covenants to apply moneys in the 2021 Series B Mortgage Loan Account to effect such priorities and protections.

(g) No amount of the proceeds of the 2021 Series B Bonds shall be used to pay the costs of issuing the 2021 Series B Bonds.

**Section 3.04. *Refunding and Redemption.*** (a) The Commission hereby authorizes the Trustee, in its capacity as trustee for the Series B Refunded Bonds, to apply the amounts on deposit in the 2021 Series B Refunding Account portion of the moneys delivered to it pursuant to Section 3.03(c) hereof to the payment of the redemption price of an equal principal amount of the following Series B Refunded Bonds on \_\_\_\_\_, 2021:

<u>Series of Bonds</u>	<u>Amount</u>
Total	\$

(b) The Commission hereby notifies the Trustee that sufficient moneys are being deposited on the date of issuance of the 2021 Series B Bonds into the 2021 Series B Refunding Account so that such moneys will be sufficient to pay the principal of the Series B Refunded Bonds being redeemed on \_\_\_\_\_.

(c) The Commission hereby authorizes and directs the Trustee in its capacity as trustee for the Series B Refunded Bonds to pay the principal of the Series B Refunded Bonds being redeemed on \_\_\_\_\_, 2021 from the proceeds of the 2021 Series B Bonds transferred to the Trustee pursuant to Section 3.03(c) hereof.

**Section 3.05. Restriction as to “Arbitrage Bonds.”** The Commission shall not use or direct or permit the use of the proceeds of the 2021 Series B Bonds or any other moneys held under the Bond Resolution or this 2021 Series B Resolution in any manner that would cause the 2021 Series B Bonds to be “arbitrage bonds” within the meaning ascribed to such quoted term in the 1986 Code. The Commission covenants that there shall be paid from time to time all amounts required to be rebated to the United States pursuant to Section 148(f) of the 1986 Code. This covenant shall survive payment in full or defeasance of the 2021 Series B Bonds. Money shall be deposited to the 2021 Series B Rebate Account by the Commission or by the Trustee at the written direction of the Commission and shall be held by the Trustee to the extent required to make the necessary payments to the United States pursuant to Section 148(f) of the 1986 Code. Upon receipt of the Commission’s written directions, the Trustee shall remit part or all of the balances in the 2021 Series B Rebate Account to the United States as so directed. Any funds remaining in the 2021 Series B Rebate Account after redemption and payment of all of the 2021 Series B Bonds and payment and satisfaction of any requirement to make payment to the United States pursuant to Section 148(f) of the 1986 Code, or provision for payment made satisfactory to the Trustee, shall be withdrawn and remitted to the Commission.

**Section 3.06. Special Tax Covenants.** (a) The Commission hereby covenants: (i) to take all steps and actions necessary to assure the successful operation of the Program in a manner consistent with the preservation of the exclusion of the interest payable on the 2021 Series B Bonds from gross income under Sections 103 and 143(e) and (f) of the 1986 Code and 103A of the 1954 Code, (ii) to take all steps and actions necessary to preserve the exclusion of the interest payable on the 2021 Series B Bonds from gross income under Sections 103 and 143(e) and (f) of the 1986 Code and 103A of the 1954 Code and (iii) to refrain from taking any steps or actions that would impair or call into question the exclusion of the interest payable on the 2021 Series B Bonds from gross income under Sections 103 or 143(e) and (f) of the 1986 Code or 103A of the 1954 Code.

(b) The Commission covenants not to use the proceeds of the 2021 Series B Bonds to finance a Single Family Residence unless:

(1) The acquisition cost (within the meaning of Section 143(e) of the 1986 Code) of such Single Family Residence does not exceed 90% of the average area purchase

price applicable to such Single Family Residence at the time of the financing of the Mortgage Loan, which average area purchase prices are set forth in Revenue Procedure 88-48 for the current period, unless such Single Family Residence is located in a Targeted Area, in which case the acquisition cost (within the meaning of Section 143 of the 1986 Code) may not exceed 110% of the average area purchase price applicable to such Single Family Residence; and

(2) The current annual income of the family using or intending to use the Single Family Residence as its principal residence does not exceed 115% (100% for families of less than three individuals) of the median gross income for the area in which such Single Family Residence is located, in accordance with regulations issued pursuant to Section 8 of the United States Housing Act of 1937.

These covenants may be modified from time to time pursuant to written instructions as delivered to the Trustee by the Commission, accompanied by an opinion of Bond Counsel permitting such modifications.

**Section 3.07. *Covenant for Use of Prepayments.*** Subject to the provisions of Section 2.09 hereof, the Commission will apply repayments and prepayments of principal of Mortgage Loans or Guaranteed Mortgage Securities financed from the issuance of the 2021 Series B Bonds that, under the Code, are not permitted to be used to finance additional Mortgage Loans or Guaranteed Mortgage Securities to the redemption of the 2021 Series B Bonds.

**Section 3.08. *Establishment of 2021 Series B Bond Purchase Account.*** There is hereby established a 2021 Series B Bond Purchase Account, moneys in which shall be deposited pursuant to Section [5.02] hereof. There is hereby established within the 2021 Series B Bond Purchase Account a Remarketing Proceeds Subaccount and a Credit Facility Proceeds Subaccount. Amounts in the Remarketing Proceeds Subaccount shall not be commingled with amounts in the Credit Facility Proceeds Subaccount. All moneys deposited in or transferred to the 2021 Series B Bond Purchase Account shall be applied to the purposes, and administered and distributed by the Tender Agent, solely as provided in Section [5.01] of this 2021 Series B Resolution. The Tender Agent shall deposit in the 2021 Series B Bond Purchase Account (1) proceeds of the remarketing of Variable Rate Bonds remitted to the Tender Agent by the Remarketing Agent, if any, which shall be held in the Remarketing Proceeds Subaccount and (2) all amounts remitted to the Tender Agent by the Bank to pay the Purchase Price of Variable Rate Bonds, which amounts shall be deposited in the Credit Facility Proceeds Subaccount. The Tender Agent shall apply amounts on deposit in the 2021 Series B Bond Purchase Account exclusively to pay the Purchase Price of the Variable Rate Bonds purchased in accordance with the provisions of this 2021 Series B Resolution to the former owners of such Bonds upon presentation thereof to the Tender Agent.

While a Credit Facility is in effect, each deposit into the 2021 Series B Bond Purchase Account not constituting Eligible Funds shall be placed in a separate subaccount within the 2021 Series B Bond Purchase Account and shall not be commingled with other moneys in the 2021 Series B Bond Purchase Account.

After payment in full of the 2021 Series B Bonds, or provision having been made for payment of the 2021 Series B Bonds pursuant to Article VIII of the Bond Resolution and payment of all other amounts required to be paid under the Bond Resolution, any amounts remaining in the 2021 Series B Bond Purchase Account shall be paid first to the Bank, if any, if there is any amount then owing by the Commission to the Bank and, second to the Commission.

**Section 3.09. Establishment of a 2021 Series B Revenue Account.** There is hereby created and established with the Trustee a Revenue Account within the Revenue Fund (sometimes hereinafter, the “2021 Series B Revenue Account”) and within the 2021 Series B Revenue Account, a Credit Facility Interest Subaccount and a Credit Facility Principal Subaccount. While a Credit Facility is in effect, moneys drawn by the Trustee under the Credit Facility for the payment of principal of and interest on the Credit Facility Bonds shall be deposited into the Credit Facility Interest Subaccount or the Credit Facility Principal Subaccount for the Credit Facility Bonds, as applicable. Neither the Trustee nor the Paying Agent shall commingle proceeds of a drawing under the Credit Facility with any other funds.

While a Credit Facility is in effect, each deposit into the Revenue Account not constituting Eligible Funds shall be placed in a segregated subaccount and shall not be commingled with other moneys in the 2021 Series B Revenue Account.

Moneys in the Credit Facility Interest Subaccount and a Credit Facility Principal Subaccount in the Revenue Account shall be held in trust for the Holders and, except as otherwise expressly provided herein, shall be used solely for the payment of the interest on the Credit Facility Bonds and for the payment of principal of and premium, if any, on the Credit Facility Bonds upon maturity, whether stated or accelerated, or upon mandatory or optional redemption.

The Commission hereby authorizes and directs the Trustee, and the Trustee hereby agrees, to withdraw and make available at the principal office of the Paying Agent sufficient funds from the Credit Facility Interest Subaccount and the Credit Facility Principal Subaccount in a Credit Facility Bonds Revenue Account to pay the principal of, premium, if any, and interest on the related Credit Facility Bonds as the same become due and payable, but only in the following order of priority:

**FIRST:** Amounts drawn by the Trustee under a Credit Facility then in effect (provided, however, that such amounts shall not be used to pay any premium on the Credit Facility Bonds, if any, unless such Credit Facility provides for the payment of such premium);

**SECOND:** If a Credit Facility is then in effect, from the sources provided in clause (i) or clause (iii) of the definition of Eligible Funds; and

**THIRD:** Any other amounts (whether or not Eligible Funds) in the Credit Facility Bonds Revenue Account of the Revenue Fund.

If moneys in the 2021 Series B Revenue Account available pursuant to items **FIRST** and **SECOND** above are insufficient to make any payment of principal of, premium, if any or interest on the Credit Facility Bonds, whether due by maturity, acceleration, redemption or otherwise, or if the Bank has dishonored its obligations under the Credit Facility, the Trustee, on or before the

date such payment is to be made, shall apply any moneys described in item THIRD above and/or request that the Commission provide amounts sufficient to may such payment of principal of, premium, if any or interest on the Credit Facility Bonds.

To the extent that a Credit Facility is drawn on to make a payment to any Holder, the Trustee shall use any moneys in the 2021 Series B Revenue Account not then needed to make payments to Holders, regardless of whether such moneys constitute Eligible Funds, to reimburse the Bank.

After payment in full of the Credit Facility Bonds, or provision for the payment of the Credit Facility Bonds having been made pursuant to Article VIII of the Bond Resolution, and the payment of all other amounts owing hereunder, any amounts remaining in the Credit Facility Interest Subaccount or the Credit Facility Principal Subaccount in the Credit Facility Bonds Revenue Account shall be paid first to the Bank, if any, if there is then any amount owing by the Commission to the Bank, and second to the Commission.

**Section 3.10. *Pledge of Qualified Hedge Agreement Payments.*** [The Commission has entered into or may enter into a Qualified Hedge Agreement with respect to the Series B Refunded Bonds. The Commission has pledged, and hereby agrees to continue to pledge, to the Trustee, as additional security for the payment of the 2021 Series Bonds, all payments received under any Qualified Hedge Agreement, which payments shall be deposited in the Revenue Fund upon receipt. Any payments required to be made by the Commission to the Swap Provider pursuant to a Qualified Hedge Agreement shall be paid, as a Program Expense, from the Revenue Fund in accordance with the provisions of Section 6.03 of the Bond Resolution.]

**Section 3.11. *Investment of Moneys.*** To the extent permitted by law and if directed in writing by the Commission and except as otherwise provided herein, the Trustee or the Tender Agent, as the case may be, shall invest and reinvest moneys held by it representing proceeds of drawings under the Credit Facility and moneys on deposit in the Revenue Account and the Bond Purchase Account only in Federal Obligations (or in a mutual fund composed solely of Federal Obligations and rated in the highest rating category by each Rating Agency then rating the 2021 Series B Bonds), maturing on the earlier of 30 days after the date of such investment and at such times as such amounts shall be needed for the purposes thereof. Unclaimed moneys held by the Trustee or the Tender Agent under any Series Resolution with respect to the 2021 Series B Bonds shall be held uninvested by the Trustee or the Tender Agent, as the case may be.

## ARTICLE IV

### DETERMINATIONS REQUIRED BY THE BOND RESOLUTION

**Section 4.01. *Determination Concerning the Debt Service Reserve Fund.*** In compliance with Section 2.02 of the Bond Resolution, the Commission determines that the amount in the Debt Service Reserve Fund is sufficient to maintain a balance therein equal to the Debt Service Reserve Requirement, computed with reference to all Outstanding Bonds and to the 2021 Series B Bonds authorized hereunder.

**Section 4.02. *Determination Concerning the Issuance of the 2021 Series B Bonds.*** In compliance with Section 2.02 of the Bond Resolution, the Commission determines that the 2021 Series B Bonds will not adversely affect the ability of the Commission to purchase Mortgage Loans or Guaranteed Mortgage Securities with the proceeds of Outstanding Bonds previously issued.

## ARTICLE V

### **PAYMENT OF TENDERED 2021 SERIES B BONDS; CREDIT FACILITY; ALTERNATE CREDIT AND LIQUIDITY FACILITY**

**Section 5.01. *Payment of Tendered Variable Rate Bonds.*** Variable Rate Bonds that are tendered or deemed tendered under the terms of this 2021 Series B Resolution shall be purchased by the Tender Agent upon surrender of such Variable Rate Bonds, but only from the sources listed below, from the Holders thereof by 4:30 p.m., New York City time, on the date such Bonds are required to be purchased at the Purchase Price. Funds for the payment of such Purchase Price shall be derived from the following sources in the order of priority indicated:

(a) the proceeds of the sale of Variable Rate Bonds furnished to the Remarketing Agent by the purchasers thereof pursuant to Section [6.07] of this 2021 Series B Resolution deposited in the Remarketing Proceeds Subaccount of the 2021 Series B Bond Purchase Account; and

(b) moneys furnished to the Tender Agent pursuant to Section [6.03] of this 2021 Series B Resolution, representing the proceeds of a draw under the applicable Credit Facility deposited in the Credit Facility Proceeds Subaccount of the 2021 Series B Bond Purchase Account.

(c) if a Credit Facility is then in effect, moneys from the 2021 Series B Bond Purchase Account constituting Eligible Funds, if any, under clause (1) of the definition of “Eligible Funds” that have been transferred to the Tender Agent pursuant to Section [3.08] hereof; and

(d) any other moneys funded by or on behalf of the Commission for purchase of Credit Facility Bonds.

**Section 5.02. *Credit Facility.*** (a) The Commission covenants to deliver the PNC Bank Credit Facility on the date of issuance of the 2021 Series Bonds. The Trustee shall make draws under the Credit Facility, in accordance with the terms thereunder, to provide funds (i) for the timely payment of principal, premium, if any (if such Credit Facility provides for payment of such premium), and interest on the Credit Facility Bonds in accordance with Section [3.09] hereof and this Section [5.02] (except with respect to Credit Facility Bonds that are Bank Bonds or that are at any time registered in the name of or held by or for the account of the Commission), (ii) for the purchase of Credit Facility Bonds that have been tendered and not remarketed subject to certain conditions as described herein, and (iii) upon declaration of acceleration of the Credit Facility Bonds pursuant to Section [7.02] hereof. The Commission may determine to deliver a Credit Facility that provides for the Trustee to make draws thereunder

to provide funds solely for the payment of the purchase of Credit Facility Bonds that have been tendered and not remarketed subject to certain conditions as described herein. All draws under the Credit Facility shall be made by the Trustee without the need of consent or direction of the Bank or any other party and without the requirement of indemnity (provided that the Trustee is not waiving any of its rights under the Bond Resolution, including without limitation, its right to indemnity). The Paying Agent shall promptly provide notice to the Trustee of any failure to pay principal of, premium, if any, or interest on the Credit Facility Bonds or the Purchase Price thereof. If the Bank is replaced by multiple credit or liquidity providers, the obligations of such providers to provide such funds may be several and need not be joint obligations. The Commission hereby covenants that it will pay the principal of and interest on the Bank Bonds in accordance with the Credit Facility; provided, however, that all obligations of the Commission hereunder and under the Resolution with respect to Bank Bonds are special limited obligations of the Commission payable solely from the revenues pledged and available for such purpose under the Bond Resolution on parity with the other Bonds issued under the Bond Resolution. The Commission covenants and agrees with the Owners of the Credit Facility Bonds that it shall pay any obligation, fee or charge necessary to maintain any Credit Facility.

(b) The Commission shall provide prior written notice to Moody's with respect to the delivery of any Alternate Credit Facility, Non-Conforming Liquidity Facility or Self Liquidity or any extension or renewal of a Credit Facility.

(c) Upon any redemption or defeasance of any Credit Facility Bonds or upon cancellation of any Credit Facility Bonds upon purchase thereof, the Trustee shall send notice to the Bank to reduce the amount available to be drawn on the Credit Facility (with written notice of the same to the Commission) and the Trustee shall, upon request, confirm to the Bank and the Commission the principal amount of Credit Facility Bonds redeemed, cancelled or defeased.

(d) In the event that the term of the Credit Facility is extended, unless it is automatically extended by its terms or is extended by amendment, the Trustee shall surrender the instrument evidencing the Credit Facility to the Bank in exchange for a new instrument conforming, in the opinion of counsel, in all material respects to the instrument evidencing the Credit Facility being surrendered, except that the term thereof shall reflect the new term of the Credit Facility. The Trustee shall promptly surrender the instrument evidencing the Credit Facility to the Bank for cancellation upon discharge of the Bond Resolution pursuant to Article VIII of the Bond Resolution.

(e) The Trustee shall give notice to the Remarketing Agent and the Paying Agent, in the name of the Bank, of the expiration or earlier termination of the Credit Facility then in effect, which notice shall specify the date of such expiration or earlier termination of the Credit Facility. If the Credit Facility Bonds are rated by a Rating Agency, notice of any such expiration or termination of the Credit Facility shall be furnished to such Rating Agency by the Trustee. On the Mandatory Tender Date occurring as a result of any Credit Expiration Event, the Trustee shall not surrender any evidence of the Credit Facility that is expiring or being terminated until the Trustee shall have made such drawings, if any, and taken such other actions, if any, thereunder as shall be required under the Series Resolution in order to provide sufficient money for payment of the Purchase Price of Credit Facility Bonds tendered or deemed tendered on such



Mandatory Tender Date to the extent necessary pursuant to Section [2.14] hereof, and shall have received the proceeds of such drawing under the Credit Facility.

**Section 5.03. Requirements for Delivery of an Alternate Credit Facility.** (a) At least 45 days prior to any date upon which the Commission intends to deliver an Alternate Credit Facility with respect to the 2021 Series B Bonds to the Trustee, the Commission shall notify the Notice Parties of its intent to deliver an Alternate Credit Facility, and the Trustee shall promptly thereafter notify the Holders of the 2021 Series B Bonds, that the Commission shall provide for delivery to the Trustee of an Alternate Credit Facility satisfying the requirements of Section [5.02] hereof as permitted by this Section [5.03]. In the event that the Commission gives such notice as provided above, such notice shall specify the name of the entity providing the Alternate Credit Facility and shall advise that the then-existing Credit Facility will terminate on the date stated in such notice, and that the related 2021 Series B Bonds shall be subject to mandatory tender (with no right to retain), from a draw on the then existing Credit Facility, not less than five Business Days prior to the earlier of the date on which the Alternate Credit Facility is delivered or the termination of the existing Credit Facility at a purchase price equal to 100% of the principal amount thereof, plus accrued interest to the date of purchase (payable by the Bank in accordance with the Credit Facility to the extent remarketing proceeds are insufficient) on such date.

(b) On or prior to the date of delivery of an Alternate Credit Facility to the Trustee, the Commission shall furnish or cause to be furnished to the Trustee (i) an opinion of counsel satisfactory to the Commission stating that the delivery of such Alternate Credit Facility to the Trustee is authorized hereunder and complies with the terms hereof and (ii) an opinion of Bond Counsel to the effect that delivery of the Alternate Credit Facility will not affect the exclusion of interest on the 2021 Series B Bonds from gross income for federal income tax purposes. In addition, no Alternate Credit Facility may be delivered to the Trustee for any purpose hereunder unless accompanied by the following documents:

(1) opinions of counsel reasonably satisfactory to the Commission to the effect that, as applicable, (i) the provider providing such Alternate Credit Facility is duly organized and existing under the laws of the jurisdiction of its organization and, if applicable, is duly qualified to do business in the United States of America; (ii) the Alternate Credit Facility is a legal, valid and binding obligation of the Bank thereunder enforceable in accordance with its terms, except as limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to, or affecting generally the enforcement of, creditors' rights and remedies, and by the availability of equitable remedies, including specific performance and injunctive relief; and (iii) no registration under the Securities Act of 1933, as amended, or qualification of an indenture under the Trust Indenture Act of 1939, as amended, will be required in connection with the issuance and delivery of such Alternate Credit Facility or the remarketing of the related Bonds with the benefits thereof;

(2) letters from Moody's evidencing that the replacement of the Credit Facility with the Alternate Credit Facility will result in the reconfirmation of the then existing rating or the assignment of a new rating to the 2021 Series B Bonds of not less than "VMIG-1";

(3) copies of any other documents, agreements or arrangements entered into directly or indirectly between the Commission and the entity issuing the Alternate Credit Facility with respect to the transactions contemplated by the Alternate Credit Facility, which documents, agreements or arrangements shall evidence, among other things, the agreement of the provider of such Alternate Credit Facility to purchase Bank Bonds then held by the Bank on the Mandatory Tender Date;

(4) such disclosure document as the Remarketing Agent may reasonably request in connection with remarketing the related Bonds with an Alternate Credit Facility; and

(5) such other documents and opinions as the Commission may reasonably request, including evidence that all amounts due and payable to the Bank providing the then-existing Credit Facility have been paid.

**Section 5.04. *Self Liquidity; Non-Conforming Liquidity Facility.*** (a) Notwithstanding any other provision of this 2021 Series B Resolution, the Commission may elect to provide liquidity support for purchases of 2021 Series B Bonds from its own funds (“Self Liquidity”) or through a facility which does not satisfy the requirements of Section [5.03] hereof (a “Non-Conforming Liquidity Facility”), provided that the following provisions of this Section [5.04] are satisfied.

(b) At least 45 days prior to any date upon which the Commission intends to deliver Self Liquidity or a Non-Conforming Liquidity Facility to the Trustee, the Commission shall notify the Notice Parties and Moody’s of its intent to deliver such Self Liquidity or Non-Conforming Liquidity Facility, and the Trustee shall promptly thereafter notify the Holders of the 2021 Series B Bonds, that the Commission shall provide for delivery to the Trustee of such Self Liquidity or Non-Conforming Liquidity Facility as permitted by this Section. The Commission shall deliver such Self Liquidity or Non-Conforming Liquidity Facility to the Trustee on or before the date specified therefor in the notice described in the preceding sentence. In the event that the Commission gives such notice as provided above, such notice shall specify the name of the entity providing the Non-Conforming Liquidity Facility, if any, the effective date thereof or of Self Liquidity and shall advise that the then-existing Credit Facility (or applicable portion thereof) will terminate on such effective date, and that the affected 2021 Series B Bonds shall be subject to mandatory tender (with no right to retain) and the date of such mandatory tender (which shall be not later than the fifth Business Day prior to the last date on which the existing Credit Facility shall remain in effect) at a purchase price equal to 100% of the principal amount thereof, plus accrued interest to the date of purchase (payable by the Bank in accordance with the Credit Facility to the extent remarketing proceeds are insufficient) on such date.

On or prior to the date of delivery of Self Liquidity or a Non-Conforming Liquidity Facility to the Trustee, the Commission shall furnish or cause to be furnished to the Trustee an opinion of counsel satisfactory to the Commission stating that the delivery of such Credit Facility to the Trustee is authorized hereunder and complies with the terms hereof. In addition, no such Credit Facility may be delivered to the Trustee for any purpose hereunder unless accompanied by the following documents:

(1) opinions of counsel reasonably satisfactory to the Commission to the effect that, as applicable, (i) the provider of such Credit Facility is duly organized and existing under the laws of the jurisdiction of its organization and, if applicable, is duly qualified to do business in the United States of America; (ii) the Credit Facility is a legal, valid and binding obligation of the provider enforceable in accordance with its terms, except as limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to, or affecting generally the enforcement of, creditors' rights and remedies, and by the availability of equitable remedies, including specific performance and injunctive relief; and (iii) no registration under the Securities Act of 1933, as amended, or qualification of an indenture under the Trust Indenture Act of 1939, as amended, will be required in connection with the issuance and delivery of such Credit Facility or the remarketing of the 2021 Series B Bonds with the benefits thereof;

(2) copies of any documents, agreements or arrangements related to or entered into directly or indirectly between the Commission and the entity issuing such Credit Facility with respect to the transactions contemplated by such Credit Facility, which documents, agreements or arrangements shall evidence, among other things, the agreement of the provider of such Non-Conforming Liquidity Facility or Self Liquidity to purchase Bank Bonds then held by the Bank on the Mandatory Tender Date;

(3) letters from Moody's evidencing that the replacement of the Credit Facility with the proposed Non-Conforming Liquidity Facility or Self Liquidity will result in the reconfirmation of the then existing rating of the Bonds;

(4) such other documents and opinions as the Commission may reasonably request, including evidence that all amounts due and payable to the Bank providing the then-existing Credit Facility have been paid;

(5) such disclosure document as the Remarketing Agent may reasonably request in connection with remarketing the 2021 Series B Bonds with a Non-Conforming Liquidity Facility or Self Liquidity;

(6) [RESERVED]; and

(7) if required to make the terms of this 2021 Series B Resolution consistent with the terms of such Credit Facility, a supplemental resolution amending this 2021 Series B Resolution.

## ARTICLE VI

### THE TENDER AGENT; THE REMARKETING AGENT

**Section 6.01. *Appointment of Tender Agent; Acceptance and Successors.*** (a) The Commission hereby appoints The Bank of New York Mellon Trust Company, N.A., Jacksonville, Florida, as Tender Agent. The Tender Agent shall designate to the Trustee its principal office, and signify its acceptance of the duties and obligations imposed on it hereunder by a written instrument of acceptance delivered to the other Notice Parties. One or more additional Tender Agents may be appointed by the Commission to the extent necessary to

effectuate the rights of the Holders to tender Bonds for purchase as provided herein. The Tender Agent shall be entitled to compensation from the Commission for its services provided hereunder in accordance with the schedule of fees provided to, and agreed upon by, the Commission.

(b) The Tender Agent may at any time resign and be discharged of the duties and obligations created by this 2021 Series B Resolution by giving at least 60 days' written notice to the other Notice Parties, except that such resignation shall not take effect until the appointment of a successor Tender Agent hereunder and until such successor Tender Agent has accepted in writing its obligations hereunder. The Tender Agent may be removed at any time by the Commission by a written instrument filed with the other Notice Parties. Upon the resignation or removal of the Tender Agent, the Tender Agent shall pay over, deliver and assign any moneys and 2021 Series B Bonds held by it in such capacity to its successor.

(c) If the position of Tender Agent shall become vacant for any reason, or if any bankruptcy, insolvency or similar proceeding shall be commenced by or against the Tender Agent, the Commission shall appoint a successor Tender Agent to fill the vacancy and provide notice of such appointment to the Notice Parties. A written acceptance of office shall be filed by the successor Tender Agent in the manner set forth in subsection (a) above. Any successor Tender Agent shall be a corporation duly organized under the laws of the United States of America or any state or territory thereof, having a combined capital stock, surplus and undivided profits of at least \$30,000,000 (or, alternatively, maintains a line of credit with a commercial bank of at least \$30,000,000) and authorized by law to perform all of the duties imposed on it by this 2021 Series B Resolution.

(d) No resignation or removal of the Tender Agent shall be effective unless a successor Tender Agent has been appointed and has accepted the duties of Tender Agent hereunder.

**Section 6.02. General Responsibilities of Tender Agent.** (a) Prior to the Conversion of any 2021 Series B Bond, the Tender Agent shall perform the duties and obligations set forth in this 2021 Series B Resolution, and in particular:

(1) On each Purchase Date on which Credit Facility Bonds are to be purchased pursuant to the Credit Facility, the Tender Agent shall direct the Bank thereunder pursuant to Section [6.03] to provide immediately available funds to be used for the purpose of purchasing tendered Credit Facility Bonds that have not been remarketed on such Purchase Date. The Tender Agent shall remit immediately to the Bank such funds that are not so used to purchase tendered 2021 Series B Bonds.

(2) The Tender Agent shall hold all moneys delivered to it pursuant to the Credit Facility, as agent and bailee of, and in escrow for the benefit of the Bondholders, in the Credit Facility Proceeds Subaccount of the 2021 Series B Bond Purchase Account until such moneys (i) if purchasing unremarketed Credit Facility Bonds pursuant to such Credit Facility, have been delivered to or for the account of the tendering Bondholders, or (ii) if remitting to the Bank such funds which are not so used to purchase tendered Credit Facility Bonds, have been so remitted to or for the account of the Bank. Such moneys held by the Tender Agent under this subsection (2) shall be segregated from other funds.

(3) The Tender Agent shall hold all proceeds from the sale of Variable Rate Bonds delivered to it by the Remarketing Agent, as agent and bailee of, and in escrow for the benefit of the Bondholders, in the Remarketing Proceeds Subaccount of the 2021 Series B Bond Purchase Account until such moneys have been delivered to or for the account of the tendering Bondholders. Such moneys held by the Tender Agent under this subsection (3) shall be segregated from other funds.

(b) In performing its duties and obligations hereunder, the Tender Agent shall perform only such duties specifically set forth in this 2021 Series B Resolution and shall be entitled to the protections limitations from liability and indemnities afforded to the Trustee hereunder. The Tender Agent shall not be liable in connection with the performance of its duties hereunder except for its own willful misconduct or negligence.

(c) The Tender Agent may deal in 2021 Series B Bonds and with the Commission to the same extent and with the same effect as provided with respect to the Trustee and any Paying Agent.

(d) The Notice Parties shall each cooperate to cause the necessary arrangements to be made and to be thereafter continued whereby funds from the sources specified herein and in the Credit Facility will be made available for the purchase of 2021 Series B Bonds presented at the principal office of the Tender Agent, and to otherwise enable the Tender Agent to carry out its duties hereunder.

(e) The Tender Agent and the Remarketing Agent shall cooperate to the extent necessary to permit the preparation, execution, issuance, authentication and delivery by the Tender Agent of replacement Bonds in connection with the tender and remarketing of Bonds hereunder.

(f) The Tender Agent hereby waives any rights to, or liens on, any funds or obligations held by or owing to it.

**Section 6.03. Sources of Funds for the Purchase of Tendered Bonds.** (a) The Tender Agent shall only make such payments called for under this 2021 Series B Resolution from funds transferred to it or directed by it for payment pursuant to this 2021 Series B Resolution and the Credit Facility, which funds are immediately available to the Tender Agent for purposes of making such payments. Under no circumstances shall the Tender Agent be obligated to expend any of its own funds in connection with this 2021 Series B Resolution or the performance of its duties hereunder. The Tender Agent shall have no liability for interest on any moneys received or held by it.

(b) On each Purchase Date, in the event that any Credit Facility Bonds tendered for purchase on such date are unable to be remarketed, the Tender Agent shall, by no later than 10:00 a.m., New York City time or 12:30 p.m., New York City time in the case of Credit Facility Bonds bearing interest at the Daily Rate, give the Bank electronic notice or telecopy notice with receipt confirmed telephonically of the aggregate Purchase Price of the tendered Credit Facility Bonds required to be purchased by the Tender Agent pursuant to the Credit Facility, and the amount of principal and interest, respectively, comprising such Purchase Price. As soon as the

Bank makes such funds available to the Tender Agent for purchase of such Credit Facility Bonds, but in any event not later than 2:30 p.m., New York City time, the Tender Agent is required to purchase therewith, for the account of the Bank, that portion of the tendered Credit Facility Bonds for which immediately available funds are not otherwise then available for such purchases under this 2021 Series B Resolution.

(c) In accordance with the Credit Facility, the Remarketing Agent shall deliver notice by not later than 4:00 p.m., New York City time on the Business Day prior to each Purchase Date, or 9:45 p.m., New York City time on each Purchase Date in the case of Credit Facility Bonds bearing interest at the Daily Rate, of the aggregate principal amount of tendered Credit Facility Bonds that it has remarketed on such date. If the Remarketing Agent fails for any reason to deliver notice of the remarketing of the Credit Facility Bonds, then the Tender Agent shall direct the Bank to make available, in immediately available funds, an amount equal to 100% of the aggregate principal amount of all Credit Facility Bonds tendered on such Purchase Date, plus accrued interest to such date. Such moneys shall be held, used for purchase and remitted as necessary in accordance with Section 6.03(b) hereof.

(d) Any Credit Facility Bonds which are purchased by the Bank shall bear interest at the rates, shall be payable at the times and in the amounts and shall be subject to the terms and provisions set forth in the Credit Facility and the related Credit Agreement. Unless the Bank shall otherwise direct, any Credit Facility Bonds purchased by the Bank shall be immediately registered in the name of the Bank as holder (unless held through a securities depository, in which case the Credit Facility Bonds shall be transferred in accordance with the procedures established by the securities depository), and the Bank shall have all the rights of a Holder of 2021 Series B Bonds, except that such 2021 Series B Bonds purchased by the Bank shall bear interest at the rates set forth in the Credit Facility and the related Credit Agreement.

**Section 6.04. *Tender Agent and Trustee.*** (a) The Tender Agent shall have those rights, duties, powers and obligations conferred on the Trustee hereunder which are necessary to enable the Tender Agent to effectuate the right of the Holders to tender 2021 Series B Bonds for purchase in accordance with this Article VI and shall be entitled to the protections, limitations from liability and indemnities afforded the Trustee under this 2021 Series B Resolution; provided, however, that the Tender Agent may not require assurances of indemnity or other protections under this 2021 Series B Resolution as a condition to its obligation to draw on the Credit Facility in accordance with Section 6.03 hereof.

(b) The Trustee in conjunction with the Tender Agent shall take all actions necessary to maintain books and records as required under the Bond Resolution. In no event shall the Trustee be liable for any actions or omissions of the Tender Agent.

**Section 6.05. *Appointment of Remarketing Agent; Acceptance and Successors.*** (a) The Commission hereby appoints [PNC Capital Markets LLC] as Remarketing Agent. The Remarketing Agent shall signify its acceptance of the duties and obligations imposed on it hereunder by duly executing and delivering the Remarketing Agreement.

(b) The Remarketing Agent may at any time resign and be discharged of the duties and obligations created by this 2021 Series B Resolution by giving at least 30 days written notice

to the Notice Parties, except that such resignation shall not take effect until the earlier of (i) the appointment of a successor Remarketing Agent hereunder and (ii) the 60<sup>th</sup> day after such written notice of resignation is given. The Remarketing Agent may be removed at any time by the Commission and if so required by the Credit Facility, at the direction of the Bank, upon at least 30 days written notice filed with such parties, except that the Commission shall not remove the Remarketing Agent until the appointment of a successor Remarketing Agent hereunder. Upon the resignation or removal of the Remarketing Agent, the Remarketing Agent shall pay over, deliver and assign any monies and 2021 Series B Bonds held by it in such capacity to its successor. The Commission shall use commercially reasonable efforts to appoint a successor Remarketing Agent if the Remarketing Agent delivers notice of its resignation.

(c) If the position of Remarketing Agent shall become vacant for any reason, or if any bankruptcy, insolvency or similar proceeding shall be commenced by or against the Remarketing Agent, the Commission shall appoint a successor Remarketing Agent to fill the vacancy and provide notice of such appointment to the Notice Parties. A written acceptance of office shall be filed by the successor Remarketing Agent in the manner set forth in subsection (a) of this Section. Any successor Remarketing Agent shall be a member of the Financial Industry Regulatory Authority having a capitalization of at least \$25,000,000 and authorized by law to perform all of the duties imposed on it under this 2021 Series B Resolution.

**Section 6.06. General Responsibilities of Remarketing Agent.** (a) The Remarketing Agent shall perform the duties and obligations set forth in the Remarketing Agreement and this 2021 Series B Resolution, and in particular shall:

(1) solicit purchases of 2021 Series B Bonds from investors able to purchase municipal bonds, effectuate and process such purchases, bill and receive payment for 2021 Series B Bonds purchased, and perform related functions in connection with the remarketing of 2021 Series B Bonds hereunder;

(2) provide notice to the Tender Agent that the Remarketing Agent has received notices of tender pursuant to Section [2.13] of this 2021 Series B Resolution, the date of such tenders and the principal amount of Variable Rate Bonds to be tendered;

(3) keep such books and records as shall be consistent with prudent industry practice and which will document its action taken hereunder, and make such books and records available for inspection by the Notice Parties; and

(4) comply at all times with all applicable state and federal securities laws and other statutes, rules and regulations applicable to the offering and sale of the Bonds.

(b) In performing its duties and obligations hereunder, the Remarketing Agent shall use the same degree of care and skill as a prudent person would exercise under the same circumstances in the conduct of his own affairs. The Remarketing Agent shall not be liable in connection with the performance of its duties hereunder except for its own willful misconduct or negligence.

(c) The Remarketing Agent may deal in 2021 Series B Bonds and with the Commission to the same extent and with the same effect as provided with respect to the Trustee and any Paying Agent.

(d) The Notice Parties shall each cooperate to cause the necessary arrangements to be made and thereafter continued whereby 2021 Series B Bonds prepared, executed, authenticated and issued hereunder shall be made available to the Remarketing Agent to the extent necessary for delivery pursuant to Section 2.05 hereof upon any Conversion.

(e) The Remarketing Agent hereby waives any right to, or lien on, any remarketing proceeds held by it and any funds held under the Bond Resolution with respect to any amounts owing to it.

**Section 6.07. Remarketing and Sale of Tendered Bonds.** (a) On any Purchase Date, the Remarketing Agent shall offer for sale and use its best efforts to sell all such 2021 Series B Bonds tendered or deemed tendered at a rate that results as nearly as practicable in the price being equal to the principal amount thereof plus accrued interest. The 2021 Series B Bonds so sold shall bear interest from the date of sale at the applicable Effective Rate. The Remarketing Agent shall, at the time specified in Section 6.03(c), provide notice to the Tender Agent of the aggregate principal amount of the 2021 Series B Bonds which are Credit Facility Bonds that have been sold; the aggregate principal amount of 2021 Series B Bonds which are Credit Facility Bonds that will be tendered but have not been sold; and that the Remarketing Agent commits to deliver to the Tender Agent the amount specified in such notice as having been sold, by 2:00 p.m. New York City time on the Purchase Date, as described in Section 6.08.

In the event that moneys from the source described in Section 5.01(a) hereof are insufficient to pay the Purchase Price of 2021 Series B Bonds tendered or deemed tendered on a Purchase Date, the Tender Agent shall, by no later than the time specified in Section 6.03(b) hereof, take all action required to cause the Purchase Price of such 2021 Series B Bonds, to the extent not available from the source described in Section 5.01(a) hereof, to be paid from the applicable Credit Facility. In the event the Purchase Price of 2021 Series B Bonds is paid from the Credit Facility as described herein, and the Commission does not reimburse the Bank for such Purchase Price, upon the remarketing of such 2021 Series B Bonds as described in Section [6.07(c)] hereof, the Paying Agent shall deliver the proceeds of the remarketing of such 2021 Series B Bonds to the Bank.

Notwithstanding anything to the contrary herein provided, the 2021 Series B Bonds shall not be remarketed unless (i) a Credit Facility satisfying the requirements of Section 5.02 hereof will be in effect following the remarketing of such 2021 Series B Bonds, (ii) no such Credit Facility will be in effect, but at the time of such remarketing, the 2021 Series B Bonds are rated by Moody's or other nationally recognized rating agency and such long-term and/or short-term rating is satisfactory to the Remarketing Agent in its sole discretion, or (iii) no such Credit Facility will be in effect, but following the remarketing of such 2021 Series B Bonds, the 2021 Series B Bonds will bear interest at a Fixed Interest Rate. Notwithstanding anything to the contrary herein provided, the 2021 Series B Bonds shall not be remarketed following a Mandatory Tender Date occurring at the Bank's direction unless and until the Remarketing Agent has received the consent of the Bank to such remarketing.



(b) The Remarketing Agent shall suspend its remarketing efforts with respect to the 2021 Series B Bonds upon the occurrence and continuation of (i) any Event of Default as provided in the Bond Resolution and herein, (ii) any “event of termination” under the Credit Facility and the Bank’s determination to accelerate payment of the 2021 Series B Bonds (and notice thereof to the Trustee), all in accordance with the terms of this Series A/B Resolution, (iii) if the Bank breaches any of its obligations under the Credit Facility, including its obligation to purchase tendered 2021 Series B Bonds which are not remarketed, or (iv) if the Remarketing Agent determines, in its sole discretion, that the remarketing of the 2021 Series B Bonds would be unlawful or would be likely to result in the imposition of liability or damages against the Commission, the Remarketing Agent, the Paying Agent, the Trustee or the Bank, if any. The Remarketing Agent may, in its sole discretion, suspend its remarketing efforts immediately upon the occurrence of certain additional events as listed in the Remarketing Agreement, which suspension will continue so long as the situation continues to exist.

(c) Unless the Bank has notified the Remarketing Agent and the Commission that it has elected to hold 2021 Series B Bonds which are Bank Bonds at the Effective Rate, the Remarketing Agent shall offer for sale and use its best efforts to sell all such 2021 Series B Bonds that are held by the Bank pursuant to the Credit Facility at a price equal to the principal amount thereof. The 2021 Series B Bonds so sold shall bear interest from the date of sale at the Effective Rate. The Remarketing Agent shall notify the Bank when it has located a purchaser for some or all of the Bank Bonds then held by the Bank and the proposed Purchase Date for such Bank Bonds; provided that the Remarketing Agent shall not remarket Bank Bonds unless the Credit Facility has been reinstated to cover such remarketed 2021 Series B Bonds.

(d) If a Credit Facility is then in effect, the Remarketing Agent shall not remarket any Bonds to (i) the Commission, (ii) any other Person obligated (as guarantor or otherwise) to make payments on the 2021 Series B Bonds or under the Credit Agreement, or (iii) an “affiliate” of the Commission as defined in Bankruptcy Code § 101(2) (if the Remarketing Agent has actual knowledge that such Person is an “affiliate” at the time of such remarketing), pursuant to this Section prior to the expiration or earlier termination of the Credit Facility unless, prior to such remarketing, the Trustee, the Rating Agency, if any, rating the 2021 Series B Bonds, and the Remarketing Agent shall have received an unqualified counsel’s opinion experienced in bankruptcy law matters to the effect that such remarketing would not result in a preferential payment pursuant to the provisions of Section 547 of the Bankruptcy Code recoverable from Holders of the 2021 Series B Bonds pursuant to Section 550 of the Bankruptcy Code in the event of an Act of Bankruptcy, and if a Rating Agency is rating the 2021 Series B Bonds, such Rating Agency has confirmed to the Trustee in writing that its rating will not be withdrawn or reduced as a result of such remarketing. If any of the 2021 Series B Bonds are remarketed to the Commission, any other Person obligated (as guarantor or otherwise) to make payments on the 2021 Series B Bonds or under the Credit Agreement, or an “affiliate” of the Commission, as described above in clauses (i), (ii) and (iii), the appropriate Remarketing Agent shall give notice of such remarketing and the date thereof to the Trustee.

(e) The Remarketing Agent will give any Person to whom 2021 Series B Bonds are proposed to be remarketed written notice of any Mandatory Tender Date, acceleration of maturity of 2021 Series B Bonds or redemption of 2021 Series B Bonds, notice of which has been given to Holders, prior to remarketing 2021 Series B Bonds to such Person.

**Section 6.08. *Application of Proceeds from Sale of Tendered Bonds.*** The proceeds of sale of any 2021 Series B Bonds sold by the Remarketing Agent pursuant to this Article VI shall be transferred, by no later than 2:30 p.m., New York City time, on the Purchase Date of such Bonds, at the direction of the Remarketing Agent by wire transfer in immediately available funds to DTC for distribution to the accounts established thereunder for Beneficial Owners of such 2021 Series B Bonds. Transfers of ownership interests in such 2021 Series B Bonds, while such Bonds are book-entry bonds, are to be accomplished by entries made on the books of DTC Participants acting on behalf of Beneficial Owners of the 2021 Series B Bonds.

**Section 6.09. *Determination and Notice of Interest Rate.*** The Remarketing Agent shall give immediately notice of the Effective Rate or the Fixed Interest Rate or the Index Adjustment Factor by telephone to the Trustee, and shall promptly thereafter confirm the same in writing to the Notice Parties.

**Section 6.10. *Rule G-34 Documents.*** In connection with any amendment, extension, renewal, replacement or termination of any Rule G-34 Documents, (i) the Commission, promptly, but not later than three Business Days after the execution thereof, and (ii) the Trustee, promptly, but not later than three Business Days after its receipt of the execution copy thereof, shall provide copies thereof to the Remarketing Agent by electronic means in a word searchable PDF file (or in such other form as the Remarketing Agent shall reasonably request of the Commission in writing).

## ARTICLE VII

### DEFAULTS AND REMEDIES (2021 SERIES B BONDS)

**Section 7.01. *Events of Default.*** In addition to the Events of Default under the Bond Resolution, the following events shall be an Event of Default:

If a Credit Facility is in effect, the Trustee shall have received a written notice from the Bank that an event of default under the Credit Agreement has occurred and is continuing and a written request from the Bank that the 2021 Series B Bonds be accelerated.

**Section 7.02. *Acceleration and Duty to Draw on Credit Facility in the Event a Credit Facility is Outstanding.***

(a) If a Credit Facility is outstanding (and if so directed in writing by the Bank (unless the Bank is in default under such Credit Facility), upon the occurrence of an Event of Default under Section 7.01 hereof, the Trustee shall, with notice to the Commission, the holders, the Bank and the Remarketing Agent, declare the entire unpaid principal of and premium, if any, and interest on the 2021 Series B Bonds immediately due and payable as provided in the Bond Resolution, and, thereupon, the entire unpaid principal of and premium, if any, and interest on the 2021 Series B Bonds shall forthwith become immediately due and payable.

(b) Upon the acceleration of the maturity of the 2021 Series B Bonds, by declaration or otherwise, the Trustee shall immediately draw upon the Credit Facility for the aggregate unpaid principal amount of the 2021 Series B Bonds and all premiums, if

any (but only to the extent permitted therefor under the Credit Facility), and interest accrued thereon, and the proceeds of such drawing shall be applied immediately as set forth in Section 7.03 hereof. Notwithstanding any conflict between the provisions of this Section 7.02 and the provisions of Section 9.02 of the Bond Resolution, upon any declaration of an immediate acceleration of the 2021 Series B Bonds upon the occurrence of an Event of Default under Section 7.01 hereof or under Section 9.01 of the Bond Resolution, interest will cease to accrue on the 2021 Series B Bonds.

**Section 7.03. *Disposition of Amounts Drawn on Credit Facility; Assignment of Rights to Contest.***

(a) All amounts drawn on the Credit Facility by the Trustee in accordance with Section 7.02(b) hereof shall be held in the Credit Facility Interest Subaccount or the Credit Facility Principal Subaccount, as applicable, of the 2021 Series B Bonds Revenue Account (and invested in accordance with the written directions of the Commission), and shall be applied immediately to the payment of principal of and premium, if any, and interest accrued on the 2021 Series B Bonds unless, prior to or with the proceeds of the draw on the Credit Facility, the Trustee receives written instructions from the Bank to use such proceeds to purchase all Bonds. If such instructions are received by the Trustee, such draw proceeds shall be immediately applied to the purchase of the 2021 Series B Bonds, the acceleration of the 2021 Series B Bonds shall be cancelled, the 2021 Series B Bonds shall become Bank Bonds and the 2021 Series B Bonds shall be registered in the name of the Bank as the owner of the 2021 Series B Bonds. Thereafter, such 2021 Series B Bonds shall not be remarketed by the Remarketing Agent unless the Credit Facility is reinstated or an Alternate Credit Facility is delivered pursuant to Section 5.03 hereof or the 2021 Series B Bonds are remarketed at a Fixed Rate.

(b) The Trustee hereby assigns to the Bank all its rights to contest or otherwise dispute in the Trustee's name, place and stead and at the Bank's sole election and cost any claim of preferential transfer made by a bankruptcy trustee, debtor-in-possession or other similar official with respect to any amount paid to the Trustee by or on behalf of the Commission to be applied to principal of and premium, if any, or interest on or purchase price of the 2021 Series B Bonds, to the extent of payments made to the Trustee pursuant to a drawing under the Credit Facility. The Trustee shall cooperate with and assist the Bank in any such contest or dispute as the Bank may reasonably request; provided, however, that the Bank shall reimburse the Trustee for its reasonable costs incurred in connection with providing such cooperation and assistance. The Trustee shall give the Bank prompt notice of any claim of preferential transfer of which the Trustee has knowledge. The foregoing assignment shall not be deemed to confer upon the Bank any right to contest or otherwise dispute any claim of preferential transfer with respect to any amount as to which there has been no drawing under the Credit Facility. The assignment set forth above shall in no event be effective until the Bank shall have first furnished to the Trustee an agreement to indemnify the Trustee and the holders of the 2021 Series B Bonds against any claim, liability or damage which they might suffer by reason of any such contest or dispute.

**Section 7.04. *Bank Deemed Owner.*** For all purposes of this Article VII (other than receipt of payments), the Bank shall, so long as the Credit Facility shall be in effect and the Bank shall not have dishonored any draw under the Credit Facility strictly complying with the terms thereof (other than for a reason permitted by the Credit Facility or pursuant to any administrative or judicial order, ruling, finding or decision), be deemed the holder and registered owner of all 2021 Series B Bonds. As such, the Bank may take all actions permitted by this Article VII to be taken by the holders or registered owners of the 2021 Series B Bonds, to the exclusion of the actual holders and registered owners of the 2021 Series B Bonds, the purpose of this Section 7.04 being to permit the Bank to direct the taking of actions and enforcement of remedies permitted by this Article VII so long as the Credit Facility shall be in effect and the Bank shall not have dishonored any draw under the Credit Facility complying with the terms thereof (other than for a reason permitted by the Credit Facility or pursuant to any administrative or judicial order, ruling, rule, finding or decision).

**Section 7.05. *Subrogation Rights of the Bank.***

(a) Notwithstanding anything else contained herein, whenever the Trustee shall make any payment to any Bondholder with funds drawn under Credit Facility pursuant hereto, the Trustee shall make such payments as agent for the Bank and not as agent for the Commission, and the Bank and its assigns shall thereafter, to the extent of the amount so paid, be subrogated to the rights thereon of the Bondholders to whom such payment was made, and the Trustee shall, in the event of the payment of principal, keep a written record of such payments. When a Bondholder has been paid the entire principal of and interest on his Bond with funds drawn under the Credit Facility, such 2021 Series B Bond shall be surrendered to the Trustee as agent for the Bank, in lieu of cancellation thereof, and such 2021 Series B Bond shall be transferred and delivered to the Bank or as the Bank shall direct.

(b) In the event the Bank makes any payment with respect to the payment of the principal or purchase price of or interest on any Bond to the Trustee under the Credit Facility, the Bank shall be subrogated to the rights possessed under the Bond Resolution in and to the trust estate thereunder by the Trustee, the Commission and the owners of such 2021 Series B Bonds so paid, and the Bank shall be subrogated to the rights of the Commission and the Trustee under any other document, instrument or agreement securing repayment of the principal or purchase price of and interest on the 2021 Series B Bonds. For purposes of the Bank's subrogation rights hereunder, (i) any reference in the Bond Resolution to the Bondholders shall include the Bank, which shall be entitled to be treated as if the Bank were a registered owner of 2021 Series B Bonds in the principal amount of any principal payment made by the Bank under the Credit Facility, (ii) any portion of any 2021 Series B Bond as to which the principal or purchase price is paid with money collected pursuant to the Credit Facility shall be deemed to be outstanding under the Bond Resolution and the principal amount of such 2021 Series B Bond, together with interest due and unpaid thereon, which shall have been paid by the Bank pursuant to the Credit Facility shall be deemed to be held by and owing to the Bank, and (iii) the Bank may exercise any and all rights and benefits it would have under the Bond Resolution as a Holder of 2021 Series B Bonds to the extent of the principal amount of 2021 Series B Bonds owned or deemed to be owned by the Bank and any and all interest

so due and unpaid thereon; provided that such Bank Bonds (A) shall not be taken into account in determining any deficiency for which a claim or draw is to be made under the Credit Facility, and (B) shall be subordinated in right of payment as of any Interest Payment Date or upon the redemption or acceleration of the 2021 Series B Bonds. Subrogation rights granted to the Bank hereunder are not intended to be exclusive of any other rights or remedies available to the Bank, and such subrogation rights shall be cumulative and shall be in addition to every right or remedy given hereunder or under any other instrument or agreement with respect to reimbursement of money paid by the Bank pursuant to the Credit Facility, and every other right or remedy now or hereafter existing at law or in equity or by statute.

**Section 7.06. Waivers.** The Trustee may not waive any default or Event of Default until the Trustee has received notice in writing from the Bank that the amount available to be drawn under any Credit Facility then in effect in respect of the principal and Purchase Price of and interest on the 2021 Series B Bonds has been reinstated in full; provided however, that if the Credit Facility terminates due to the occurrence of an event of default under the Credit Agreement, such corresponding Event of Default hereunder cannot be waived unless the Bank revokes or rescinds such declaration of default under the Credit Agreement.

## ARTICLE VIII

### ADDITIONAL CONDITIONS FOR PAYMENT OF 2021 SERIES B BONDS

**Section 8.01. Additional Conditions for 2021 Series B Bonds Deemed Paid.** In addition to the provisions of Article VIII of the Bond Resolution, the 2021 Series B Bonds shall be deemed paid when there shall have been irrevocably deposited in the applicable Revenue Account sufficient Eligible Funds for the payment at maturity or redemption or tender dates prior to maturity of the principal thereof and the redemption premium, if any, and interest to accrue thereon at such maturity or redemption or tender dates, as the case may be (assuming that the 2021 Series B Bonds bear interest at the Maximum Rate during any period during which the interest rate on the 2021 Series B Bonds may change).

## ARTICLE IX

### MISCELLANEOUS

**Section 9.01. Continuing Disclosure.** The Commission agrees to comply with and carry out the provisions of the Continuing Disclosure Agreement dated as of June \_\_, 2021 by and between the Commission and The Bank of New York Mellon Trust Company, N.A., as dissemination agent, and any other information filings required by federal securities laws.

**Section 9.02. Unclaimed Moneys.** In the event any 2021 Series B Bond is not presented for payment when the principal of any such Bond becomes due, either at maturity or at the date fixed for redemption of such Bond or otherwise, if amounts sufficient to pay such 2021 Series B Bond have been deposited with the Trustee for the benefit of the owners of such Bond and have remained unclaimed for 5 years after such principal has become due and payable, either at the

stated maturity date thereof or by call for earlier redemption, then such amounts shall, at the request of the Commission, be repaid by the Trustee to the Commission, as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the Commission for the payment of such 2021 Series B Bonds, as the case may be; provided, however, that the Trustee, before being required to make any such payment to the Commission shall, at the expense of the Commission, cause to be published, at least twice, at an interval of not less than 7 days between publications, in Authorized Newspapers, notice that such moneys remain unclaimed and that, after a date specified in such notice, which will not be less than 30 days from the date of such publication, any unclaimed balance of such moneys then remaining will be paid to the Commission. The obligation of the Trustee under this Section to pay any such amounts to the Commission will be subject to any provisions of law applicable to the Trustee or to such amounts providing other requirements for disposition of unclaimed property.

**Section 9.03. *Electronic Means.*** The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”) given pursuant to the Bond Resolution and this Series Resolution and delivered using Electronic Means; provided, however, that the Commission shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions (“Authorized Officers”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Commission whenever a person is to be added or deleted from the listing. If the Commission elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee’s understanding of such Instructions shall be deemed controlling. The Commission understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Commission shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Commission and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Commission. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Commission agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Commission; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

**Section 9.04. *Severability.*** If any provision of this 2021 Series B Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not

affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

**Section 9.05. *Applicable Provisions of Law.*** This 2021 Series B Resolution shall be governed by and construed in accordance with the laws of the State of Maryland.

**Section 9.06. *Qualifications for Tender Agent, Trustee and Paying Agent.*** Notwithstanding anything herein or in the Bond Resolution to the contrary, any entity serving as Tender Agent, Trustee and/or Paying Agent under the Bond Resolution, among other requirements, must be a bank with trust powers or a trust company.

HOUSING OPPORTUNITIES COMMISSION  
MONTGOMERY COUNTY

[SEAL]

By: \_\_\_\_\_  
Roy O. Priest  
Chair

ATTEST:

By: \_\_\_\_\_  
Stacy L. Spann  
Secretary-Treasurer

[SIGNATURE PAGE TO 2021 SERIES B RESOLUTION]



**EXHIBIT A**

**REDEMPTION PRICE TABLE FOR CERTAIN REDEMPTIONS**

The 2021 Series B PAC Bonds that are redeemed from unexpended proceeds as set forth in Section 2.09 of the foregoing Series Resolution will be redeemed at the respective redemption prices (expressed as percentages of the principal amounts) set forth below.

<b><u>Redemption Dates</u></b>	<b><u>Redemption Prices</u></b>
Date of Delivery	%

The applicable redemption price for any date other than those above will be determined by the Commission using straight-line interpolation between the respective redemption prices for the immediately preceding and succeeding dates, based on the number of days between such dates.



of this Bond will be payable at the designated corporate trust office of the Trustee in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

In the event of a partial redemption of this Bond, the Registered Owner hereof is authorized to effect a reduction in the face amount of this Bond by making a notation indicating the principal amount of such redemption and the date thereon on the Payment Grid attached hereto, in lieu of surrendering this Bond to the Trustee for cancellation and the issuance of a new Bond or Bonds in the amount of the unredeemed portion hereof. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS BOND MAY BE LESS THAN THE STATED FACE AMOUNT HEREOF AND THE RECORDS OF THE TRUSTEE SHALL BE CONCLUSIVE AS TO THE OUTSTANDING PRINCIPAL AMOUNT HEREOF, NOTWITHSTANDING THE FAILURE OF THE REGISTERED OWNER TO MAKE ANY NOTATION ON SUCH PAYMENT GRID OF THE REDEMPTION OF A PORTION THEREOF, AND SHALL BE BINDING UPON THE REGISTERED OWNER, ANY HEIRS, SUCCESSORS OR ASSIGNS, OR ANY TRANSFEREE OR PURCHASER OF THIS BOND. ANY PURCHASER OR TRANSFEREE OF THIS BOND SHOULD CONTACT THE TRUSTEE TO ASCERTAIN THE OUTSTANDING PRINCIPAL AMOUNT HEREOF.

This Bond is one of an authorized issue of 2021 Series B Bonds in the aggregate principal amount of \$\_\_\_\_\_ (the “2021 Series B Bonds”) issued for the purpose of making funds available to finance new qualified Mortgage Loans. The 2021 Series B Bonds were issued for the purpose of providing funds for the Commission to carry out its program of making or purchasing qualified mortgage loans (the “Mortgage Loans”) for the acquisition, construction, and rehabilitation of dwelling accommodations for persons of eligible income to facilitate the development of a sufficient supply of single family residential housing in Montgomery County, Maryland for such persons, including providing funds for various reserve funds. Simultaneously with the issuance of the 2021 Series B Bonds, the Commission has issued its Single Family Mortgage Revenue Bonds 2021 Series A in the aggregate principal amount of \$\_\_\_\_\_ (the “2021 Series A Bonds,” and together with the 2021 Series B Bonds, the “2021 Series Bonds”).

The 2021 Series Bonds are all issued under and are equally and ratably secured by and entitled to the protection of the Commission’s Single Family Mortgage Revenue Bond Resolution No. 79-26, adopted March 28, 1979, as amended, and the 2021 Series A/B Resolution adopted by the Commission as of May 1, 2017 (collectively, the “Bond Resolution”). The Bond Resolution provides that the Commission may hereafter issue additional Bonds from time to time under certain terms and conditions contained in the Bond Resolution and, if issued, such additional Bonds will rank pari passu with this issue of 2021 Series B Bonds and be equally and ratably secured by and entitled to the protection of the Bond Resolution. Reference is hereby made to the Bond Resolution for

a description of the property pledged and assigned, the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Commission, the Trustee and the owners of the 2021 Series B Bonds and the terms upon which the 2021 Series B Bonds are issued and secured.

The Commission and the Trustee may deem and treat the Registered Owner hereof as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and premium, if any, and interest due hereon and for all other purposes and neither the Commission nor the Trustee shall be affected by any notice to the contrary.

The 2021 Series B Bonds are issuable as registered 2021 Series B Bonds without coupons in the minimum denomination of \$100,000 or any integral multiple of \$5,000 in excess thereof. Subject to the limitations and upon payment of the charges provided in the Bond Resolution, registered 2021 Series B Bonds, upon surrender thereof at the designated corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee duly executed by the Registered Owner thereof or by his or her attorney duly authorized in writing, may be exchanged, at the option of the Registered Owner thereof, for a like aggregate principal amount of registered 2021 Series B Bonds without coupons of other authorized denominations of the same Series and the same maturity. This Bond is transferable by the Registered Owner hereof in person or by his or her attorney duly authorized in writing at the designated corporate trust office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Bond Resolution, and upon surrender and cancellation of this Bond. Upon such transfer a new registered Bond or Bonds of the same Series and the same maturity and interest rate and of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor. The Trustee is not required to make any exchange or transfer in the case of any proposed redemption of Bonds of such Series, after the first publication or the mailing of notice calling such Bonds or portions thereof for redemption has been given as herein provided, or during the fifteen days next preceding the date of the first publication of notice of such redemption.

The 2021 Series B Bonds shall be subject to optional, special and mandatory sinking fund redemption and purchase in lieu of redemption as provided in the Bond Resolution.

If any of the 2021 Series B Bonds or portions thereof are called for redemption as aforesaid, notice thereof identifying the 2021 Series B Bonds or portions thereof to be redeemed will be given by the Trustee by transmitting a copy of the redemption notice at least twenty (20) days before the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books. All 2021

Series B Bonds so called for redemption will cease to bear interest after the specified redemption date, provided that funds for their redemption are on deposit at the place of payment at that time.

The 2021 Series B Bonds are issued pursuant to and in full compliance with the Constitution and laws of the State of Maryland, particularly Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, and Chapter 41 of the Laws of Montgomery County 1974, as amended, known as the Housing Opportunities Act, and a certain Agreement By and Between the Commission and Montgomery County, Maryland.

This Bond and the issue of which it forms a part and the interest thereon are limited obligations of the Commission and are payable solely out of the Revenues and other assets of the Commission pledged therefor pursuant to the Bond Resolution. The Commission has no taxing power. The 2021 Series B Bonds do not constitute a debt of Montgomery County, the State of Maryland or any political subdivision thereof and neither Montgomery County, the State of Maryland nor any political subdivision thereof shall be liable thereon, nor in any event shall the 2021 Series B Bonds be payable out of any funds or properties of the Commission other than those pledged therefor. The 2021 Series B Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Neither the commissioners of the Commission nor any persons executing the 2021 Series B Bonds shall be liable personally on the 2021 Series B Bonds by reason of the issuance thereof. Payments sufficient for the prompt payment, when due, of the principal of, premium, if any, and interest on the 2021 Series B Bonds are to be paid to the Trustee for the account of the Commission, which payments have been duly pledged and assigned for that purpose.

The Registered Owner of this Bond shall have no right to enforce the provisions of the Bond Resolution or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Bond Resolution, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Bond Resolution. In certain events, on the conditions, in the manner and with the effect set forth in the Bond Resolution, the principal of all the 2021 Series B Bonds issued under the Bond Resolution and then outstanding may become or may be declared due and payable before the stated maturities thereof, at the principal amount thereof, together with interest accrued thereon to the date of acceleration.

The Bond Resolution permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Commission and the rights of the owners of the 2021 Series B Bonds at any time by the Commission with the consent of the owners of two-thirds in Aggregate Principal Amount of the 2021 Series B Bonds at the time outstanding, as defined in the Bond Resolution. Any such

consent or waiver by the Registered Owner of this Bond shall be conclusive and binding upon such owner and upon all future owners of this Bond and of any 2021 Series B Bond issued in replacement thereof whether or not notation of such consent or waiver is made upon this Bond. The Bond Resolution also contains provisions permitting the Trustee to waive certain defaults under the Bond Resolution and their consequences.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Bond Resolution and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law; that the issuance of this Bond and the issue of which it forms a part, together with all other obligations of the Commission, does not exceed or violate any constitutional or statutory limitation; and that the amounts pledged to the payment of the principal of and premium, if any, and interest on this Bond and the issue of which it forms a part, as the same become due, are expected to be sufficient in amount for that purpose.

This Bond shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by the Trustee or an authorized signatory thereof.

IN WITNESS WHEREOF, the Housing Opportunities Commission of Montgomery County has caused this Bond to be executed in its name by the facsimile signature of its Chair and its corporate seal to be hereunto impressed or imprinted hereon and attested to by the facsimile signature of its Secretary-Treasurer.

HOUSING OPPORTUNITIES COMMISSION  
OF MONTGOMERY COUNTY

(SEAL)

By: \_\_\_\_\_  
Roy O. Priest  
Chairman

Attest:

\_\_\_\_\_  
Stacy L. Spann  
Secretary-Treasurer





TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Bond Resolution and is one of the Single Family Mortgage Revenue Bonds, 2021 Series B of the Housing Opportunities Commission of Montgomery County.

THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A., TRUSTEE

By: \_\_\_\_\_  
Authorized Signatory

Date of Authentication: \_\_\_\_\_

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto \_\_\_\_\_ the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints \_\_\_\_\_ to transfer the within-mentioned Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature: \_\_\_\_\_ (Signature(s) must be guaranteed by a broker or other financial institution which is a participant in the Securities Transfer Agent's Medallion Program or similar program (STAMP, SEMP, MSP).)

Please insert social security or other identifying number of assignee: \_\_\_\_\_

NOTICE: The signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

\* \* \* \* \*

**EXHIBIT A — MODE CHART FOR VARIABLE RATE BONDS**

	<b>DAILY MODE</b>	<b>WEEKLY MODE</b>	<b>MONTHLY MODE</b>	<b>QUARTERLY MODE</b>	<b>SEMIANNUAL MODE</b>	<b>AUCTION MODE</b>
<b>Rate Determination Date</b>	Each Business Day by 10:00 A.M. <sup>1</sup>	For Liquidity Facility Bonds, Effective Rate Date by 10:00 A.M. For R-FLOATS, Effective Rate Date by 10:00 A.M.	First Business Day preceding Effective Rate Date by 4:00 P.M.	First Business Day preceding Effective Rate Date by 4:00 P.M.	First Business Day preceding Effective Rate Date by 4:00 P.M.	Auction Rate determined not later than 4:00 P.M. on the Auction Date
<b>Effective Rate Date</b>	Daily	<ul style="list-style-type: none"> <li>• For Liquidity Facility Bonds, each Wednesday;</li> <li>• For R-FLOATS, each Thursday</li> </ul>	First day of each calendar month	January 1, April 1, July 1 and October 1 of each year	January 1 and July 1 of each year	First Business Day of each Auction Period
<b>Statement of Effective Rate</b>	Trustee to provide or cause to be provided to Holder monthly statement of Daily Effective Rates for prior month within 7 Business Days of end of each calendar month	Trustee to provide or cause to be provided to Holder monthly statement of Weekly Effective Rates for prior month within 7 Business Days of end of each calendar month	Trustee to provide or cause to be provided to Holder notice of Effective Rate within 7 Business Days following the respective Rate Determination Dates	Trustee to provide or cause to be provided to Holder notice of Effective Rate within 7 Business Days following the respective Rate Determination Dates	Trustee to provide or cause to be provided to Holder notice of Effective Rate within 7 Business Days following the respective Rate Determination Dates	Broker-Dealer advises Existing and Potential Owner as to Auction Rate determined on Auction Date
<b>For Liquidity Facility Bonds: Irrevocable Notice of Tender by Holder to Remarketing Agent or Tender Agent and Tender and Purchase Date (Within Mode Period)</b>	Notice by Holder to Remarketing Agent or, if unavailable, Tender Agent not later than 11:00 A.M. on any Business Day, which day shall also be the Tender and Purchase Date	Notice by Holder to Remarketing Agent or, if unavailable, Tender Agent not later than 5:00 P.M. on any Business Day at least 7 calendar days prior to the purchase date, which shall be any Business Day and shall be set forth in the Tender Notice	Notice by Holder to Remarketing Agent or, if unavailable, Tender Agent not later than 5:00 P.M. on the Business Day 7 days prior to next Effective Rate Date, which date is the Tender and Purchase Date and shall be set forth in the Tender Notice	Notice by Holder to Tender Agent not later than 5:00 P.M. on the Business Day 13 days prior to next Effective Rate Date, which date is the Tender and Purchase Date and shall be set forth in the Tender Notice	Notice by Holder to Tender Agent not later than 5:00 P.M. on the Business Day 15 days prior to next Effective Rate Date, which date is the Tender and Purchase Date and shall be set forth in the Tender Notice	No optional tender of Bonds in Auction Mode Period pursuant to Section 7.02 hereof

<sup>1</sup> All times referred to in this Mode Chart for Variable Rate Bonds are New York City time.

	<b>DAILY MODE</b>	<b>WEEKLY MODE</b>	<b>MONTHLY MODE</b>	<b>QUARTERLY MODE</b>	<b>SEMIANNUAL MODE</b>	<b>AUCTION MODE</b>
<b>R-FLOATS: Irrevocable Notice of Tender by Holder to Remarketing Agent or Tender Agent and Tender and Purchase Date (Within Mode Period)</b>	Notice by Holder to Remarketing Agent not later than 11:00 A.M. on any Business Day, which day shall also be the Tender and Purchase Date	Notice by Holder to Remarketing Agent not later than 3:00 P.M. on the first Business Day preceding the next Effective Rate Date, which date is the Tender and Purchase Date and shall be set forth in the Tender Notice	Notice by Holder to Remarketing Agent not later than 4:00 P.M. on the first Business Day preceding the next Effective Rate Date, which date is the Tender and Purchase Date and shall be set forth in the Tender Notice	Notice by Holder to Tender Agent not later than 4:00 P.M. on the first Business Day preceding the next Effective Rate Date, which date is the Tender and Purchase Date and shall be set forth in the Tender Notice	Notice by Holder to Tender Agent not later than 4:00 P.M. on the first Business Day preceding the next Effective Rate Date, which date is the Tender and Purchase Date and shall be set forth in the Tender Notice	No optional tender of Bonds in Auction Mode Period pursuant to Section 7.02 hereof
<b>Written Mode Change Notice; Mandatory Tender Notice</b>	<ul style="list-style-type: none"> <li>• Commission to give notice to Notice Parties of Mode Change Date 20 days prior to Mode Change Date</li> <li>• Trustee to give notice to Holders 15 days prior to Mode Change Date</li> </ul>	<ul style="list-style-type: none"> <li>• Commission to give notice to Notice Parties of Mode Change Date 20 days prior to Mode Change Date</li> <li>• Trustee to give notice to Holders 15 days prior to Mode Change Date</li> </ul>	<ul style="list-style-type: none"> <li>• Commission to give notice to Notice Parties of Mode Change Date 20 days prior to Mode Change Date</li> <li>• Trustee to give notice to Holders 15 days prior to Mode Change Date</li> </ul>	<ul style="list-style-type: none"> <li>• Commission to give notice to Notice Parties of Mode Change Date 20 days prior to Mode Change Date</li> <li>• Trustee to give notice to Holders 15 days prior to Mode Change Date</li> </ul>	<ul style="list-style-type: none"> <li>• Commission to give notice to Notice Parties of Mode Change Date 20 days prior to Mode Change Date</li> <li>• Trustee to give notice to Holders 15 days prior to Mode Change Date</li> </ul>	<ul style="list-style-type: none"> <li>• Commission to give notice to Notice Parties of Mode Change Date 20 days prior to Mode Change Date</li> <li>• Trustee to give notice to Holders 15 days prior to Mode Change Date</li> </ul>

EXHIBIT B-3

[FORM OF 2021 SERIES B FIXED RATE BOND]

UNITED STATES OF AMERICA  
STATE OF MARYLAND  
HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY  
  
SINGLE FAMILY MORTGAGE REVENUE BOND  
2021 Series B

No. RB- \_\_\_\_\_ \$ \_\_\_\_\_

Interest Rate	Maturity Date	Conversion Date	CUSIP No.
____%	_____	_____	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

KNOW ALL PERSONS BY THESE PRESENTS that the Housing Opportunities Commission of Montgomery County, a public body corporate and politic of the State of Maryland (the "Commission"), for value received, promises to pay from the sources and as hereinafter provided, to the Registered Owner identified above or registered assigns, on the Maturity Date identified above, the Principal Amount identified above, and in like manner to pay interest on said sum from the Dated Date identified above, at the Interest Rate per annum identified above, semiannually on January 1 and July 1 of each year commencing January 1, 2009 (the "Interest Payment Date"), until said Principal Amount is paid, except as the provisions hereinafter set forth with respect to redemption of this Bond before maturity may become applicable hereto. Interest on this Bond is payable by check mailed to the Registered Owner hereof as his or her name and address appear as of the close of business on the 15<sup>th</sup> day of the month next preceding each Interest Payment Date (the "Record Date") on the registration books of the Commission maintained by The Bank of New York Mellon Trust Company, N.A., Atlanta, Georgia, as trustee and registrar (the "Trustee"), or a successor thereto, or at such other addresses as are furnished to the Trustee in writing by such Registered Owner on or prior to the Record Date or, upon timely written request of a Registered Owner and payment of wire transfer fee, by wire transfer from the Trustee to the Registered Owner. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The principal and redemption premium, if any, and interest due at maturity or upon redemption or purchase of this Bond will be payable at the designated corporate trust office of the Trustee in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

In the event of a partial redemption of this Bond, the Registered Owner hereof is authorized to effect a reduction in the face amount of this Bond by making a notation indicating the principal amount of such redemption and the date thereon on the Payment Grid attached hereto, in lieu of surrendering this Bond to the Trustee for cancellation and the issuance of a new Bond or Bonds in the amount of the unredeemed portion hereof. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS BOND MAY BE LESS THAN THE STATED FACE AMOUNT HEREOF AND THE RECORDS OF THE TRUSTEE SHALL BE CONCLUSIVE AS TO THE OUTSTANDING PRINCIPAL AMOUNT HEREOF, NOTWITHSTANDING THE FAILURE OF THE REGISTERED OWNER TO MAKE ANY NOTATION ON SUCH PAYMENT GRID OF THE REDEMPTION OF A PORTION THEREOF, AND SHALL BE BINDING UPON THE REGISTERED OWNER, ANY HEIRS, SUCCESSORS OR ASSIGNS, OR ANY TRANSFEREE OR PURCHASER OF THIS BOND. ANY PURCHASER OR TRANSFEREE OF THIS BOND SHOULD CONTACT THE TRUSTEE TO ASCERTAIN THE OUTSTANDING PRINCIPAL AMOUNT HEREOF.

This Bond is one of an authorized issue of 2021 Series B Bonds in the aggregate principal amount of \_\_\_\_\_ (the “2021 Series B Bonds”) issued for the purpose of making funds available to finance new qualified Mortgage Loans. The 2021 Series B Bonds were issued for the purpose of providing funds for the Commission to carry out its program of making or purchasing qualified mortgage loans (the “Mortgage Loans”) for the acquisition, construction, and rehabilitation of dwelling accommodations for persons of eligible income to facilitate the development of a sufficient supply of single family residential housing in Montgomery County, Maryland for such persons, including providing funds for various reserve funds. Simultaneously with the issuance of the 2021 Series B Bonds, the Commission has issued its Single Family Mortgage Revenue Bonds 2021 Series A in the aggregate principal amount of \_\_\_\_\_ (the “2021 Series A Bonds,” and together with the 2021 Series B Bonds, the “2021 Series Bonds”).

The 2021 Series Bonds are all issued under and are equally and ratably secured by and entitled to the protection of the Commission’s Single Family Mortgage Revenue Bond Resolution No. 79-26, adopted March 28, 1979, as amended, and the 2021 Series A/B Resolution adopted by the Commission as of May 1, 2017 (collectively, the “Bond Resolution”). The Bond Resolution provides that the Commission may hereafter issue additional Bonds from time to time under certain terms and conditions contained in the Bond Resolution and, if issued, such additional Bonds will rank pari passu with this issue of 2021 Series B Bonds and be equally and ratably secured by and entitled to the protection of the Bond Resolution. Reference is hereby made to the Bond Resolution for a description of the property pledged and assigned, the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Commission, the Trustee and the owners of the 2021 Series B Bonds and the terms upon which the 2021 Series B Bonds are issued and secured.

The Commission and the Trustee may deem and treat the Registered Owner hereof as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and premium, if any, and interest due hereon and for all other purposes and neither the Commission nor the Trustee shall be affected by any notice to the contrary.

The 2021 Series B Bonds are issuable as registered 2021 Series B Bonds without coupons in the denomination of \$5,000, or any integral multiple thereof. Subject to the limitations and upon payment of the charges provided in the Bond Resolution, registered 2021 Series B Bonds, upon surrender thereof at the designated corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee duly executed by the Registered Owner thereof or by his or her attorney duly authorized in writing, may be exchanged, at the option of the Registered Owner thereof, for a like aggregate principal amount of registered 2021 Series B Bonds without coupons of other authorized denominations of the same Series and the same maturity. This Bond is transferable by the Registered Owner hereof in person or by his or her attorney duly authorized in writing at the designated corporate trust office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Bond Resolution, and upon surrender and cancellation of this Bond. Upon such transfer a new registered Bond or Bonds of the same Series and the same maturity and interest rate and of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor. The Trustee is not required to make any exchange or transfer during the fifteen day period next preceding an Interest Payment Date or in the case of any proposed redemption of Bonds of such Series, after the first publication or the mailing of notice calling such Bonds or portions thereof for redemption has been given as herein provided, or during the fifteen days next preceding the date of the first publication of notice of such redemption.

The 2021 Series B Bonds are subject to mandatory redemption in part by lot from Sinking Fund Installments on the dates and in the amounts provided in the Bond Resolution at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the Redemption Date.

The 2021 Series B Bonds are subject to redemption at the option of the Commission, from funds available to the Commission and not provided for under the special redemption provisions of the Bond Resolution, as a whole or in part, on any date on or after the January 1 or July 1 next following the tenth anniversary of the Conversion Date at a Redemption Price equal to the principal amount thereof, if the redemption occurs on or after the January 1 or July 1 next following the eleventh anniversary of such Conversion Date, in each case together with interest accrued thereon to the date fixed for redemption.

The 2021 Series B Bonds are subject to redemption at the option of the Commission, in whole or in part, at any time, from moneys deposited in the 2008 Series A/B/C/D Mortgage Loan Account (including amounts in the 2008 Series B Closing Cost Assistance Account) and not used to make or purchase Mortgage Loans, at a price equal to the principal amount thereof plus accrued interest thereon, if any, to the date fixed for redemption. The 2021 Series B Bonds are subject to redemption at the option of the Commission, in whole or in part, at any time, at a price equal to the principal amount thereof plus accrued interest thereon, if any, to the date fixed for redemption, from Revenues relating to any Series of Bonds (primarily payments of principal and interest and Prepayments of principal on Mortgage Loans and earnings on Permitted Investments) and any amounts available as a result of a reduction in the reserve requirements established pursuant to the Bond Resolution, which are in excess of the amount required to pay principal of and interest on the Bonds in the then current year. Such Revenues and other available amounts may relate to Mortgage Loans, reserve funds, and Permitted Investments

financed or funded with the proceeds of Series of Bonds other than the 2021 Series B Bonds. The 2021 Series B Bonds are subject to redemption in part, from moneys on deposit in the 2008 Series A/B/C/D Mortgage Loan Account if such moneys are not applied to the purchase of Mortgage Loans by the date set forth in the final cash flows prepared for the issuance of the 2021 Series B Bonds, unless the Commission prepares cash flows reflecting a later acquisition period and receives confirmation from any rating agency that has an outstanding rating on the 2021 Series B Bonds, at the Commission's request, that the rating on the Bonds will not be lowered or withdrawn.

Except as provided above, the Commission shall select 2021 Series B Bonds for redemption in accordance with the provisions of the Bond Resolution. If less than all 2021 Series B Bonds, the particular 2021 Series B Bonds to be redeemed shall be selected by the Trustee by lot in accordance with the provisions of the Bond Resolution.

If any of the 2021 Series B Bonds or portions thereof are called for redemption as aforesaid, notice thereof identifying the 2021 Series B Bonds or portions thereof to be redeemed will be given by the Trustee by mailing a copy of the redemption notice at least twenty (20) days before the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books. All 2021 Series B Bonds so called for redemption will cease to bear interest after the specified redemption date, provided that funds for their redemption are on deposit at the place of payment at that time.

The 2021 Series B Bonds are issued pursuant to and in full compliance with the Constitution and laws of the State of Maryland, particularly Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, and Chapter 41 of the Laws of Montgomery County, 1974, as amended, known as the Housing Opportunities Act, and a certain Agreement By and Between the Commission and Montgomery County, Maryland.

This Bond and the issue of which it forms a part and the interest thereon are limited obligations of the Commission and are payable solely out of the Revenues and other assets of the Commission pledged therefor pursuant to the Bond Resolution. The Commission has no taxing power. The 2021 Series B Bonds do not constitute a debt of Montgomery County, the State of Maryland or any political subdivision thereof and neither Montgomery County, the State of Maryland nor any political subdivision thereof shall be liable thereon, nor in any event shall the 2021 Series B Bonds be payable out of any funds or properties of the Commission other than those pledged therefor. The 2021 Series B Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Neither the commissioners of the Commission nor any persons executing the 2021 Series B Bonds shall be liable personally on the 2021 Series B Bonds by reason of the issuance thereof. Payments sufficient for the prompt payment, when due, of the principal of, premium, if any, and interest on the 2021 Series B Bonds are to be paid to the Trustee for the account of the Commission, which payments have been duly pledged and assigned for that purpose.

The Registered Owner of this Bond shall have no right to enforce the provisions of the Bond Resolution or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Bond Resolution, or to institute, appear in or defend any



suit or other proceedings with respect thereto, except as provided in the Bond Resolution. In certain events, on the conditions, in the manner and with the effect set forth in the Bond Resolution, the principal of all the 2021 Series B Bonds issued under the Bond Resolution and then outstanding may become or may be declared due and payable before the stated maturity thereof, at the principal amount thereof, together with interest thereon to the date of acceleration.

The Bond Resolution permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Commission and the rights of the owners of the 2021 Series B Bonds at any time by the Commission with the consent of the owners of two-thirds in Aggregate Principal Amount of the 2021 Series B Bonds at the time outstanding, as defined in the Bond Resolution. Any such consent or waiver by the Registered Owner of this Bond shall be conclusive and binding upon such owner and upon all future owners of this Bond and of any 2021 Series B Bond issued in replacement thereof whether or not notation of such consent or waiver is made upon this Bond. The Bond Resolution also contains provisions permitting the Trustee to waive certain defaults under the Bond Resolution and their consequences.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Bond Resolution and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law; that the issuance of this Bond and the issue of which it forms a part, together with all other obligations of the Commission, does not exceed or violate any constitutional or statutory limitation; and that the amounts pledged to the payment of this Bond and the issue of which it forms a part, as the same become due, are expected to be sufficient in amount for that purpose.

This Bond shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by the Trustee or an authorized signatory thereof.

IN WITNESS WHEREOF, the Housing Opportunities Commission of Montgomery County has caused this Bond to be duly executed in its name by the manual or facsimile signature of its Chairman and has caused its corporate seal or a facsimile thereof to be impressed or otherwise printed hereon and attested to by the manual or facsimile signature of its Secretary-Treasurer.

**HOUSING OPPORTUNITIES COMMISSION  
OF MONTGOMERY COUNTY**

(SEAL)

By: \_\_\_\_\_  
Roy O. Priest  
Chairman

Attest:

\_\_\_\_\_  
Stacy L. Spann  
Secretary-Treasurer



**[FORM OF CERTIFICATE OF AUTHENTICATION]**

This Bond is one of the Bonds described in the within-mentioned Bond Resolution.

**THE BANK OF NEW YORK MELLON  
TRUST  
COMPANY, N.A.,**  
as Trustee

By: \_\_\_\_\_  
Authorized Signature

Date of Authentication:

\_\_\_\_\_

**[FORM OF ASSIGNMENT]**

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto \_\_\_\_\_ the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints \_\_\_\_\_ to transfer the within-mentioned Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature: \_\_\_\_\_ (Signature(s) must be guaranteed by a broker or other financial institution which is a participant in the Securities Transfer Agent's Medallion Program or similar program (STAMP, SEMP, MSP))

Please insert social security or other identifying number of assignee: \_\_\_\_\_

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

NOTICE: The signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

EXHIBIT B-4

[FORM OF 2021 SERIES B INDEXED RATE BOND]

UNITED STATES OF AMERICA  
STATE OF MARYLAND  
HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

SINGLE FAMILY MORTGAGE REVENUE BOND  
2021 Series B

No. RB- \_\_\_\_\_ \$ \_\_\_\_\_

Interest Rate	Maturity Date	Conversion Date	CUSIP No.
Variable	_____	_____	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

KNOW ALL PERSONS BY THESE PRESENTS that the Housing Opportunities Commission of Montgomery County, a public body corporate and politic of the State of Maryland (the "Commission"), for value received, promises to pay from the sources and as hereinafter provided, to the Registered Owner identified above or registered assigns, on the Maturity Date identified above, the Principal Amount identified above, and in like manner to pay interest on said sum from the Dated Date identified above, at the Interest Rate per annum identified above, semiannually on January 1 and July 1 of each year commencing January 1, 2009 (the "Interest Payment Date"), until said Principal Amount is paid, except as the provisions hereinafter set forth with respect to redemption of this Bond before maturity may become applicable hereto. Interest on this Bond is payable by check mailed to the Registered Owner hereof as his or her name and address appear as of the close of business on the 15<sup>th</sup> day of the month next preceding each Interest Payment Date (the "Record Date") on the registration books of the Commission maintained by The Bank of New York Mellon Trust Company, N.A., Atlanta, Georgia, as trustee and registrar (the "Trustee"), or a successor thereto, or at such other addresses as are

furnished to the Trustee in writing by such Registered Owner on or prior to the Record Date or, upon timely written request of a Registered Owner and payment of wire transfer fee, by wire transfer from the Trustee to the Registered Owner. The principal and redemption premium, if any, and interest due at maturity or upon redemption or purchase of this Bond will be payable at the designated corporate trust office of the Trustee in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

In the event of a partial redemption of this Bond, the Registered Owner hereof is authorized to effect a reduction in the face amount of this Bond by making a notation indicating the principal amount of such redemption and the date thereon on the Payment Grid attached hereto, in lieu of surrendering this Bond to the Trustee for cancellation and the issuance of a new Bond or Bonds in the amount of the unredeemed portion hereof. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS BOND MAY BE LESS THAN THE STATED FACE AMOUNT HEREOF AND THE RECORDS OF THE TRUSTEE SHALL BE CONCLUSIVE AS TO THE OUTSTANDING PRINCIPAL AMOUNT HEREOF, NOTWITHSTANDING THE FAILURE OF THE REGISTERED OWNER TO MAKE ANY NOTATION ON SUCH PAYMENT GRID OF THE REDEMPTION OF A PORTION THEREOF, AND SHALL BE BINDING UPON THE REGISTERED OWNER, ANY HEIRS, SUCCESSORS OR ASSIGNS, OR ANY TRANSFEREE OR PURCHASER OF THIS BOND. ANY PURCHASER OR TRANSFEREE OF THIS BOND SHOULD CONTACT THE TRUSTEE TO ASCERTAIN THE OUTSTANDING PRINCIPAL AMOUNT HEREOF.

This Bond is one of an authorized issue of 2021 Series B Bonds in the aggregate principal amount of \_\_\_\_\_ (the “2021 Series B Bonds”) issued for the purpose of making funds available to finance new qualified Mortgage Loans. The 2021 Series B Bonds were issued for the purpose of providing funds for the Commission to carry out its program of making or purchasing qualified mortgage loans (the “Mortgage Loans”) for the acquisition, construction, and rehabilitation of dwelling accommodations for persons of eligible income to facilitate the development of a sufficient supply of single family residential housing in Montgomery County, Maryland for such persons, including providing funds for various reserve funds. Simultaneously with the issuance of the 2021 Series B Bonds, the Commission has issued its Single Family Mortgage Revenue Bonds 2021 Series A in the aggregate principal amount of \_\_\_\_\_ (the “2021 Series A Bonds,” and together with the 2021 Series B Bonds, the “2021 Series Bonds”).

The 2021 Series Bonds are all issued under and are equally and ratably secured by and entitled to the protection of the Commission’s Single Family Mortgage Revenue Bond Resolution No. 79-26, adopted March 28, 1979, as amended, and the 2021 Series A/B Resolution adopted by the Commission as of May 1, 2017 (collectively, the “Bond Resolution”). The Bond Resolution provides that the Commission may hereafter issue additional Bonds from time to time under certain terms and conditions contained in the Bond Resolution and, if issued, such additional Bonds will rank pari passu with this issue of 2021 Series B Bonds and be equally and ratably secured by and entitled to the protection of the Bond Resolution. Reference is hereby made to the Bond Resolution for a description of the property pledged and assigned, the provisions, among others, with respect to the nature and extent of the security,

the rights, duties and obligations of the Commission, the Trustee and the owners of the 2021 Series B Bonds and the terms upon which the 2021 Series B Bonds are issued and secured.

The Commission and the Trustee may deem and treat the Registered Owner hereof as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and premium, if any, and interest due hereon and for all other purposes and neither the Commission nor the Trustee shall be affected by any notice to the contrary.

The 2021 Series B Bonds are issuable as registered 2021 Series B Bonds without coupons in the denomination of \$5,000 or any integral multiple thereof. Subject to the limitations and upon payment of the charges provided in the Bond Resolution, registered 2021 Series B Bonds, upon surrender thereof at the designated corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee duly executed by the Registered Owner thereof or by his or her attorney duly authorized in writing, may be exchanged, at the option of the Registered Owner thereof, for a like aggregate principal amount of registered 2021 Series B Bonds without coupons of other authorized denominations of the same Series and the same maturity. This Bond is transferable by the Registered Owner hereof in person or by his or her attorney duly authorized in writing at the designated corporate trust office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Bond Resolution, and upon surrender and cancellation of this Bond. Upon such transfer a new registered Bond or Bonds of the same Series and the same maturity and interest rate and of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor. The Trustee is not required to make any exchange or transfer in the case of any proposed redemption of Bonds of such Series, after the first publication or the mailing of notice calling such Bonds or portions thereof for redemption has been given as herein provided, or during the fifteen days next preceding the date of the first publication of notice of such redemption.

This 2021 Series B Bond shall bear interest during each Index Accrual Period at the applicable Indexed Rate as set forth in the Bond Resolution, calculated on the basis of a 360-day year for the number of days actually elapsed. "Index Accrual Period" means with respect to any 2021 Series B Bonds bearing interest at an Indexed Rate (i)(A) of SIFMA multiplied by the Percentage Factor determined for such Bonds or (B) of SIFMA plus or minus the Index Adjustment Factor for such Bonds, the period commencing on the Conversion Date of such Bonds to but excluding the day occurring one week thereafter and each one week period thereafter; and (ii) (A) of Three-Month LIBOR multiplied by the Index Percentage determined for such Bonds or (B) of Three-Month LIBOR plus or minus the Index Adjustment Factor for such Bonds, the period commencing on each January 1, April 1, July 1 and October 1 to and including the following December 31, March 31, June 30 and September 30 respectively; provided that the initial Interest Accrual Period shall be the period commencing on the Conversion Date of such Bonds and ending on the immediately succeeding December 31, March 31, June 30 or September 30. "Indexed Rate" means, with respect to any Index Accrual Period and any 2021 Series B Bonds, a per annum rate determined in accordance with the Index Rate Determination method specified upon the conversion of such Bonds, provided that the Indexed Rate for any Index Accrual Period shall not exceed the Maximum Rate. "Index Rate Determination



Method” means, with respect to any 2021 Series B Bonds, the method for determining the Index Rate for such Bonds for each Index Accrual Period, as selected by the Commission in accordance with the Bond Resolution. Three-Month LIBOR means, with respect to any Index Accrual Period or Quarterly Mode Period for R-FLOATS, means the per annum rate (rounded, if necessary, to the nearest one-hundredth of one percent) for deposits in United States dollars for three months which appears on the Telerate British Bankers' Association LIBOR Rates Page (“BBA LIBOR Rates Page” as defined below) as of 11:00 A.M. London, England time, on the second Business Day preceding the beginning of each Index Accrual Period or Quarterly Mode Period for R-FLOATS, as applicable, in each case a “LIBOR Determination Date.” If such rate does not appear on the BBA LIBOR Rates Page or if fewer than two offered rates appear, Three-Month LIBOR will be determined on such date as described below. “BBA LIBOR Rates Page” means the display designated as page 3750 on the Telerate, Inc. news and information service (or such other page as may replace the BBA LIBOR Rates Page on that service for the purpose of displaying London interbank offered rates of major banks). If on such LIBOR Determination Date fewer than two offered rates appear on the BBA LIBOR Rates Page, then Three-Month LIBOR will be the Three-Month LIBOR applicable to the immediately preceding Index Accrual Period or the Quarterly Mode Period, as applicable.

The 2021 Series B Bonds are subject to mandatory redemption in part by lot from Sinking Fund Installments on the dates and in the amounts provided in the Bond Resolution at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the Redemption Date.

The 2021 Series B Bonds are subject to redemption at the option of the Commission, as a whole or in part, on any date at a Redemption Price equal to the principal amount thereof, together with interest accrued thereon to the date fixed for redemption.

The 2021 Series B Bonds are subject to redemption at the option of the Commission, in whole or in part, at any time, from moneys deposited in the 2008 Series A/B/C/D Mortgage Loan Account (including amounts in the 2008 Series B Closing Cost Assistance Account) and not used to make or purchase Mortgage Loans, at a price equal to the principal amount thereof plus accrued interest thereon, if any, to the date fixed for redemption. The 2021 Series B Bonds are subject to redemption at the option of the Commission, in whole or in part, at any time, at a price equal to the principal amount thereof plus accrued interest thereon, if any, to the date fixed for redemption, from Revenues relating to any Series of Bonds (primarily payments of principal and interest and Prepayments of principal on Mortgage Loans and earnings on Permitted Investments) and any amounts available as a result of a reduction in the reserve requirements established pursuant to the Bond Resolution, which are in excess of the amount required to pay principal of and interest on the Bonds in the then current year. Such Revenues and other available amounts may relate to Mortgage Loans, reserve funds, and Permitted Investments financed or funded with the proceeds of Series of Bonds other than the 2021 Series B Bonds. The 2021 Series B Bonds are subject to redemption in part, from moneys on deposit in the 2008 Series A/B/C/D Mortgage Loan Account if such moneys are not applied to the purchase of Mortgage Loans by the date set forth in the final cash flows prepared for the issuance of the 2021 Series B Bonds, unless the Commission prepares cash flows reflecting a later acquisition period and

receives confirmation from any rating agency that has an outstanding rating on the 2021 Series B Bonds, at the Commission's request, that the rating on the Bonds will not be lowered or withdrawn.

Except as provided above, the Commission shall select 2021 Series B Bonds for redemption in accordance with the provisions of the Bond Resolution. If less than all 2021 Series B Bonds, the particular 2021 Series B Bonds to be redeemed shall be selected by the Trustee by lot in accordance with the provisions of the Bond Resolution.

If any of the 2021 Series B Bonds or portions thereof are called for redemption as aforesaid, notice thereof identifying the 2021 Series B Bonds or portions thereof to be redeemed will be given by the Trustee by mailing a copy of the redemption notice at least twenty (20) days before the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books. All 2021 Series B Bonds so called for redemption will cease to bear interest after the specified redemption date, provided that funds for their redemption are on deposit at the place of payment at that time.

The 2021 Series B Bonds are issued pursuant to and in full compliance with the Constitution and laws of the State of Maryland, particularly Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, and Chapter 41 of the Laws of Montgomery County, 1974, as amended, known as the Housing Opportunities Act, and a certain Agreement By and Between the Commission and Montgomery County, Maryland.

This Bond and the issue of which it forms a part and the interest thereon are limited obligations of the Commission and are payable solely out of the Revenues and other assets of the Commission pledged therefor pursuant to the Bond Resolution. The Commission has no taxing power. The 2021 Series B Bonds do not constitute a debt of Montgomery County, the State of Maryland or any political subdivision thereof and neither Montgomery County, the State of Maryland nor any political subdivision thereof shall be liable thereon, nor in any event shall the 2021 Series B Bonds be payable out of any funds or properties of the Commission other than those pledged therefor. The 2021 Series B Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Neither the commissioners of the Commission nor any persons executing the 2021 Series B Bonds shall be liable personally on the 2021 Series B Bonds by reason of the issuance thereof. Payments sufficient for the prompt payment, when due, of the principal of, premium, if any, and interest on the 2021 Series B Bonds are to be paid to the Trustee for the account of the Commission, which payments have been duly pledged and assigned for that purpose.

The Registered Owner of this Bond shall have no right to enforce the provisions of the Bond Resolution or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Bond Resolution, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Bond Resolution. In certain events, on the conditions, in the manner and with the effect set forth in the Bond Resolution, the principal of all the 2021 Series B Bonds

issued under the Bond Resolution and then outstanding may become or may be declared due and payable before the stated maturity thereof, at the principal amount thereof, together with interest thereon to the date of acceleration.

The Bond Resolution permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Commission and the rights of the owners of the 2021 Series B Bonds at any time by the Commission with the consent of the owners of two-thirds in Aggregate Principal Amount of the 2021 Series B Bonds at the time outstanding, as defined in the Bond Resolution. Any such consent or waiver by the Registered Owner of this Bond shall be conclusive and binding upon such owner and upon all future owners of this Bond and of any 2021 Series B Bond issued in replacement thereof whether or not notation of such consent or waiver is made upon this Bond. The Bond Resolution also contains provisions permitting the Trustee to waive certain defaults under the Bond Resolution and their consequences.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Bond Resolution and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law; that the issuance of this Bond and the issue of which it forms a part, together with all other obligations of the Commission, does not exceed or violate any constitutional or statutory limitation; and that the amounts pledged to the payment of this Bond and the issue of which it forms a part, as the same become due, are expected to be sufficient in amount for that purpose.

This Bond shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by the Trustee or an authorized signatory thereof.

IN WITNESS WHEREOF, the Housing Opportunities Commission of Montgomery County has caused this Bond to be duly executed in its name by the manual or facsimile signature of its Chairman and has caused its corporate seal or a facsimile thereof to be impressed or otherwise printed hereon and attested to by the manual or facsimile signature of its Secretary-Treasurer.

**HOUSING OPPORTUNITIES COMMISSION  
OF MONTGOMERY COUNTY**

(SEAL)

By: \_\_\_\_\_  
Roy O. Priest  
Chairman

Attest:

\_\_\_\_\_  
Stacy L. Spann  
Secretary-Treasurer

[If a payment grid is to be added to the Bond, the following is to be inserted after the signature pages:]

PAYMENT GRID

<u>Date of Payment</u>	<u>Principal Amount Paid</u>	<u>Principal Amount Outstanding</u>	<u>Holder Signature</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
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_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

[If any of the 2021 Series B Bonds are to be printed, the Commission may place the “IN WITNESS WHEREOF” clause, signatures and seal on the face of such Bonds and insert on the face of such Bonds the following language:]

(optional language to be inserted on face of any 2021 Series B Bonds to be printed)

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE.

**[FORM OF CERTIFICATE OF AUTHENTICATION]**

This Bond is one of the Bonds described in the within-mentioned Bond Resolution.

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,**  
as Trustee

By: \_\_\_\_\_  
Authorized Signature

Date of Authentication:

**[FORM OF ASSIGNMENT]**

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto \_\_\_\_\_ the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints \_\_\_\_\_ to transfer the within-mentioned Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature: \_\_\_\_\_ (Signature(s) must be guaranteed by a broker or other financial institution which is a participant in the Securities Transfer Agent's Medallion Program or similar program (STAMP, SEMP, MSP))

Please insert social security or other identifying number of assignee: \_\_\_\_\_

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

NOTICE: The signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.



# REVOLVING HOUSING PRODUCTION FUND

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## FUNDING, STRUCTURE, LOGISTICS, AND AUTHORIZING RESOLUTION



Stacy L. Spann, Executive Director

Kayrine Brown  
Zachary Marks

May 5, 2021

# Executive Summary

Over the past nine years, HOC has worked to establish a consistent, new construction pipeline. Since 2016, HOC has begun construction on at least one ground-up development each year. Most of these developments were highly subsidized RAD destination properties. However, some were HOC's standard mixed-income developments, which married private conventional equity with HOC resources.

Use of private conventional equity is critical to maintaining HOC's pipeline given the lack of new public resources and the inefficiencies of the Low Income Housing Tax Credit ("LIHTC") program. The County's Housing Initiative Fund ("HIF") remains a key source and a meaningful commitment to the expansion of the County's affordable housing stock. Developments that are majority affordable or fully affordable are often not viable without the HIF. Recent strain placed on the budget by the impacts of COVID-19 have blunted the ability of Montgomery County Council ("Council") to increase the HIF despite a strong desire to do so.

Thus, without the identification of new funding resources, staff projects this level of production of one or two new starts per year is at risk should financial markets deteriorate. HOC's existing pipeline is crucial to the County's ability to meet its Metropolitan Washington Council of Governments ("COG") housing production goals; and, the Council has encouraged HOC increase its pipeline beyond current levels.

So, Council and HOC staff have worked together over the previous year to develop a new source of funding structured specifically for use with HOC's mixed-income model. On March 23, 2021, the Housing Production Fund ("HPF") was approved by Council establishing a \$50MM fund to provide revolving, low-cost, construction-period financing to HOC's developments. To fund the HPF and subject to appropriation, the County will fund the annual principal and interest payments of no more than \$3.4 million to fund a bond issuance of \$50 million or less in HOC-issued bonds. The bonds will be repaid over twenty years, after which the fund will continue to revolve at no additional cost to the County.

HOC staff seeks the Commission's approval of the Master Resolution creating the HPF, the Series Resolution, entrance into a Funding Agreement with Montgomery County, HPF program parameters, HPF program structure, and cost of issuance for the bond issuance funding the HPF. Finally, staff requests approval of an Authorizing Resolution for the issuance of up to \$50 million of taxable bonds to fund the Housing Production Fund.

# Executive Summary

## Highly Efficient

- For \$3.4MM in annual appropriated funds over a period of 20 years<sup>1</sup>, Montgomery County creates a permanent, revolving \$50MM Housing Production Fund (“HPF”) that:

Produces new, mixed-income communities

Becomes permanent after 20 years of appropriations

Revolves every four-to-five years; \$250MM of construction loans over 20 years<sup>2</sup>

Provides committed capital for part of HOC’s 5,500-unit pipeline

Uses the model of existing revolving MPDU/Property Acquisition Fund

Yields an average of 100 affordable units per transaction

## Self Sufficient

- Without the HPF, these HOC pipeline of new units would need significant upfront HIF investment. So, the HPF *increases* the availability of the HIF for other projects.
- The HPF allows HOC transactions to proceed without using other limited affordable housing resources like LIHTC equity and volume cap, leaving these resources to other worthy projects.

## Ready to Execute

- The HPF structure is fully and immediately executable. The first transaction to be funded by the program is expected to occur in June 2021.

## Scalable Design

- At \$50MM, the HPF will fund roughly 3,500<sup>2</sup> units over the 20-year life of the bonds.
- The HPF creates a timely and efficient avenue for private developers and private non-profits to participate in this expansion of housing in the County.
- The HPF can easily be increased by additional appropriations and bond issuance.

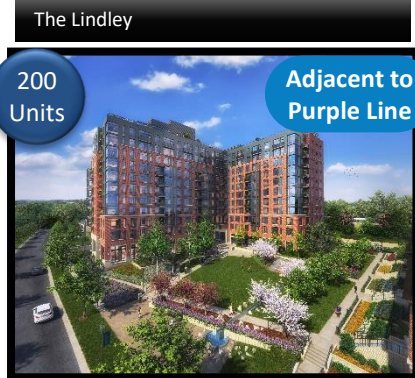
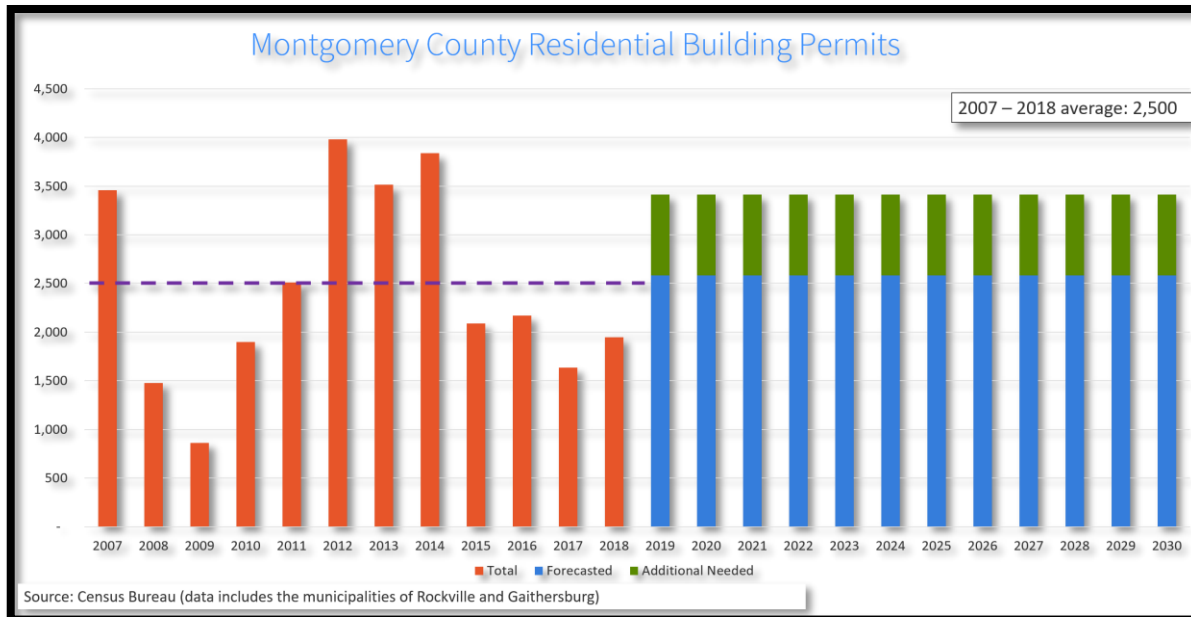
<sup>1</sup>If annual project interest paid is sent back to the HIF (as described later in this presentation), the annual net use of the HIF would be approximately \$900,000.

<sup>2</sup>Should Council decide to send project interest paid back to the HPF, construction production increases by \$127M during the 20-year life of the bonds, resulting in a total of approximately 4,375 units would be produced over the 20-year life of the bonds.

# Primary Goal & Delivery Channel

## HPF Focus

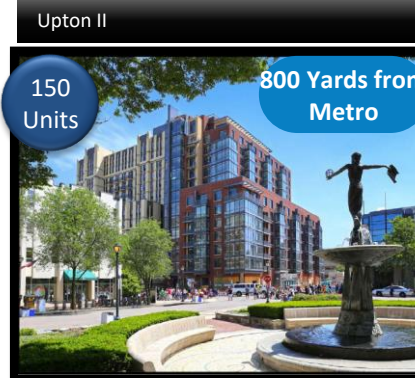
- Catalyze County pursuit of COG goal of 41,000 units over next 10 years (i.e., 1,000 additional units per year).
- In 2019, the County fell short of the COG based target for the year by 275 units.
- HOC pipeline expected to grow to 350 units per year starting in 2021.



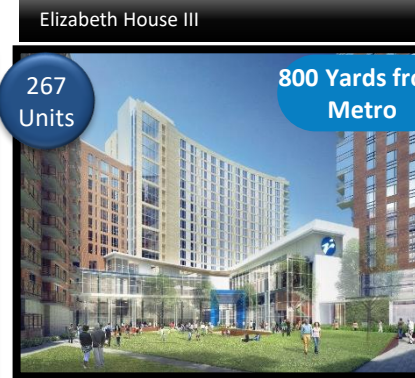
Started: 2016



Started: 2017



Started: 2018



Started: 2019

# Primary Goal & Delivery Channel

## HPF Channel

- Accelerating HOC's mixed-income housing development pipeline.
- Dedicated, revolving construction period financing funded with County-serviced, HOC-issued bond proceeds.
- At \$50MM, approximately 1,750 of 5,445 units in HOC's identified pipeline would be funded with the HPF.
- HOC has two developments starting in FY21 and FY22 that would fully utilize all of first \$50MM.
- Availability of HPF allows HOC to add to the identified pipeline as funding resources are expanded; HOC has another 2,500 units it could secure reasonably quickly but has not pursued due to insufficient resources.

## HOC Identified Pipeline (5,445 Units)

### First Five Years

Total Units  
**3,447**

### Second Five Years

Total Units  
**1,998**

## HPF: First \$50MM

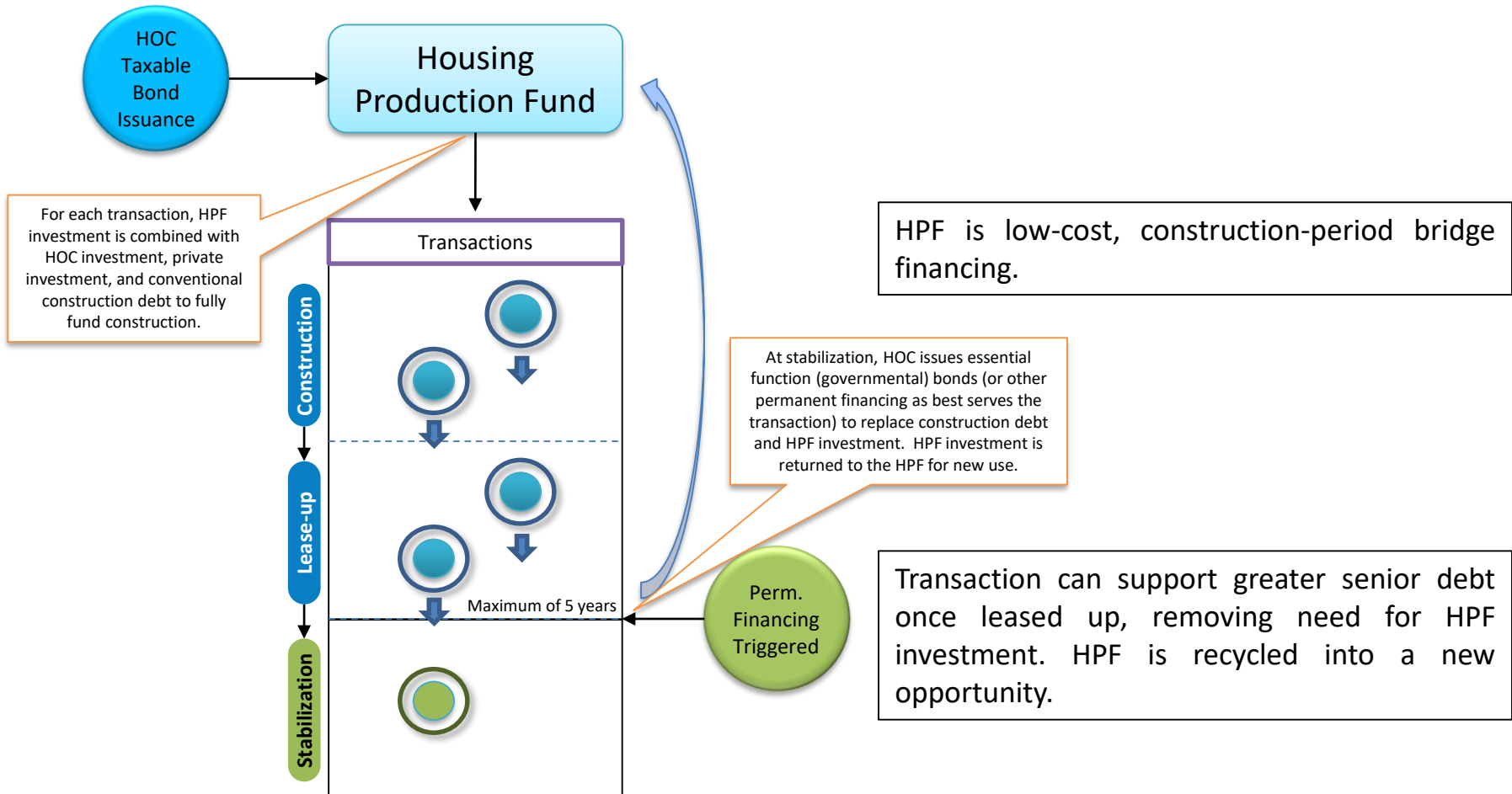


Started: 2021



Starts: 2022

# Production Fund Mechanism



# Issuance, Interest Capitalization, & the HIF

- With an initial \$50MM funding, approximately \$250MM in project loans can be issued over the 20-year life of the bonds.
- The developments funded by the HPF will pay 5% interest annually on the loan amount (and will be paid current because interest will be capitalized for the construction and lease-up period).
- The \$250MM does not include any reinvestment of project interest paid.
- As approved by Council, interest is currently to be paid to the HIF to offset portion allocated to HPF. This can be amended.
- As with the existing MPDU/Property Acquisition Fund in the County's CIP, the Production Fund will continue to serve at this level and frequency after the bonds are paid off.

Leveraging of County Funds  
**25-to-1**

HPF @ \$50MM (Project Interest to HIF)				
	<i>Bonds</i>	<i>Bond</i>	<i>Project</i>	<i>Interest</i>
	<i>Issued</i>	<i>P+I</i>	<i>Loans</i>	<i>Paid</i>
FY21	\$50,000,000	\$0	\$14,300,000	\$0
FY22		\$3,284,363	\$35,050,000	\$1,299,167
FY23		\$3,225,192		\$2,500,000
FY24		\$3,225,838		\$2,500,000
FY25		\$3,220,262	\$14,300,000	\$2,500,000
FY26		\$3,227,495	\$35,050,000	\$2,500,000
FY27		\$3,224,224		\$2,500,000
FY28		\$3,223,609		\$2,500,000
FY29		\$3,222,223	\$14,300,000	\$2,500,000
FY30		\$3,225,190	\$35,050,000	\$2,500,000
FY31		\$3,224,781		\$2,500,000
FY32		\$3,225,837		\$2,500,000
FY33		\$3,223,257	\$14,300,000	\$2,500,000
FY34		\$3,221,813	\$35,050,000	\$2,500,000
FY35		\$3,226,260		\$2,500,000
FY36		\$3,218,753		\$2,500,000
FY37		\$3,225,036	\$14,300,000	\$2,500,000
FY38		\$3,223,628	\$35,050,000	\$2,500,000
FY39		\$3,224,530		\$2,500,000
FY40		\$3,222,665		\$2,500,000
			<b>\$246,750,000</b>	<b>\$46,299,167</b>

As of April 15, 2021

# HPF Cost & Scalability

## Phase I - \$50MM

Portion of County HIF covers principal and interest for \$50MM HOC bond issuance.



FY21

FY22

FY23

FY24

Production Fund @ \$100MM

(\$50MM)

Westside @ Shady Grove

(266 Units)

Hillandale Gateway

(463 Units)

(\$50MM)

Wheaton Gateway

(322 Units)

Clarksburg

(184 Units)

## Phase II - \$50MM

A second \$50MM issuance could cover at least two more transactions with an increase in annual appropriations to ~\$6.5MM. It may be advantageous to the HPF for this issuance to occur in FY22 to ensure it is done in the current low interest rate environment.

*A Phase II has not been approved by the County Council.*

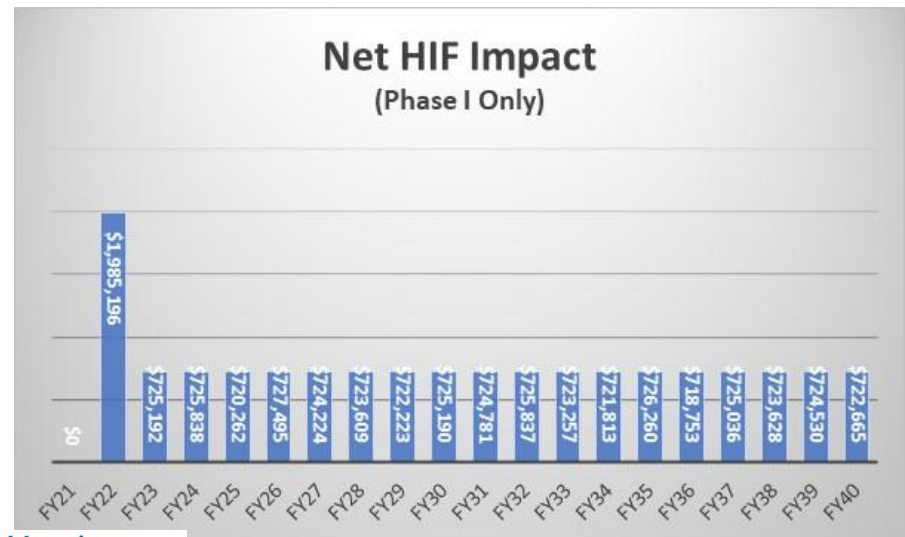


# HPF Project Interest Income – Paid into HIF

Projects using the HFP pay 5% annual interest back to HPF for use. These funds could be used to offset HIF impact or increase HPF.



If used to offset impact to HIF, net impact to HIF is less than \$725,000 annually (other than the first year).



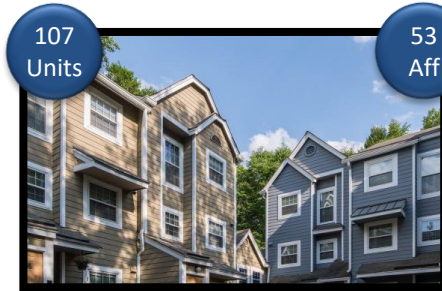
# HPF Project Interest Income – Reinvested in HPF

Were project interest (at 5%) reinvested, the initial \$50MM would result in \$370MM in loans.

Leveraging of County Funds  
**37-to-1**

HPF @ \$50MM (Project Interest Reinvested in HPF)				
	<i>Bonds Issued</i>	<i>Bond P+I</i>	<i>Project Loans</i>	<i>Interest Paid</i>
FY21	\$50,000,000	\$0	\$14,300,000	\$0
FY22		\$3,284,363	\$35,405,000	\$1,305,083
FY23		\$3,225,192		\$2,485,250
FY24		\$3,225,838		\$2,485,250
FY25		\$3,220,262	\$21,460,000	\$2,485,250
FY26		\$3,227,495	\$38,070,000	\$2,843,250
FY27		\$3,224,224		\$2,976,500
FY28		\$3,223,609		\$2,976,500
FY29		\$3,222,223	\$30,325,000	\$2,976,500
FY30		\$3,225,190	\$41,265,000	\$3,419,750
FY31		\$3,224,781		\$3,579,500
FY32		\$3,225,837		\$3,579,500
FY33		\$3,223,257	\$40,985,000	\$3,579,500
FY34		\$3,221,813	\$45,110,000	\$4,112,500
FY35		\$3,226,260		\$4,304,750
FY36		\$3,218,753		\$4,304,750
FY37		\$3,225,036	\$53,805,000	\$4,304,750
FY38		\$3,223,628	\$49,735,000	\$4,945,750
FY39		\$3,224,530		\$5,177,000
FY40		\$3,222,665		\$5,177,000
			<b>\$370,460,000</b>	<b>\$67,018,333</b>

# Legacy of Mixed-Income Success



107  
Units

53  
Aff

Timberlawn

1989



305  
Units

122  
Aff

Alexander  
House

1992



202  
Units

51  
Aff

Strathmore

1996



308  
Units

92  
Aff

Metropolitan

1997



173  
Units

53  
Aff

MetroPointe

2008



200  
Units

40  
Aff

The Lindley

2018

HOC originated the mixed-income model in the County and continues to be the leader in mixed-income development.

# HPF Program Parameters

## Required Affordability

- 10% of project units at MPDU rents (65% and 70% for garden and high rise, respectively)
- 20% of project units at 50% AMI

## Project Interest Payments

- Rate fixed at 5%, interest only
- Projected payments fully capitalized
- Developer remits semi-annual interest payments to Trustee

## Term of Investment

- Not longer than five years
- Repaid as part of refinancing

## Program Control

- HOC determines target developments
- Each loan approval by an internal HOC Investment Committee
- Annual reporting to Council

## County Payments

- Remits semi-annual to Trustee per Funding Agreement
- Receives semi-annual payments from Trustee (developer interest)

## Commission Ownership

- Projects funded by the HPF owned or controlled by HOC or an affiliate
- Takeout financing will be presented with each HPF loan approval

# Sizing & Logistics of the Bond Issuance

## The Bond Issue:

- Maximum HOC issuance of \$50 million supported by maximum annual debt service of \$3.4 million
- Taxable Bonds to maintain maximum flexibility of ownership
- Removes the need for allocation of private activity volume cap
- Montgomery County 2021 allocation of \$40 million for housing (formulaic by population size)

## Security for the Bonds:

- Funding Agreement between HOC and Montgomery County
- Revenues in the Indenture
- Not be a general obligation of Montgomery County or HOC
- Subject to annual appropriation by the County

## Bond Amortization:

- Full amortization of the bonds over 20 years
- Level debt payment
- Annual debt service payment from the HIF is known and constant.

## HOC and Trustee Management of Funds:

- All funds and accounts are held and managed by a Trustee
- Loans approved by HOC

## Governing Documents:

- Master Resolution, Series Resolution, Funding Agreement

## Debt service payments:

- Annual appropriation by Montgomery County from the Housing Initiative Fund

# Bond Issuance Structure

## One Series - Taxable Bonds

- Size: \$50,000,000
- Overall Yield (est.): 2.60%
- Term: 20 years

## Serial Bonds

- Size: \$32,460,000
- Maturity: Each January 1, 2022 and July 1, 2022 through July 1, 2035<sup>1</sup>
- Semi-annual interest payments in accordance with the Series Resolution
- Weighted Average Coupon (est.) : 1.39%

## Term Bonds

- Size \$17,540,000
- Maturity: 7/1/2041
- Semi-annual interest payments in accordance with the Series Resolution
- Bond Yield (est.) 3.075%

*All amounts, yield, and maturity dates above are estimates.*

<sup>1</sup> *Current estimated scheduled maturity to be agreed upon between HOC and Montgomery County.*

# Summary of Governing Documents

## Master Resolution

- Governs all series of bonds issued pursuant to this Master Resolution
- Authorization, Form, and Registration of Bonds
- Redemption of Bonds Before Maturity
- Pledged Revenues and Flow of Funds
- Trustee Matters; Covenants
- Event of Default & Remedies
- Supplemental Resolutions
- Amendment of Funding Agreement
- Bond Defeasance

## Series Resolution

- Addresses Matters Related to the Specific Series of Bonds being issued.
- Authorization, Form, and Registration of Bond Series
- Redemption Provisions
- Sale of Series of Bonds, Authentication, and Application of Proceeds

## Authorizing Resolution

- Commission Approval to Issue the Housing Production Fund Bonds
- Approves the Governing Documents
- Naming the Series of Bonds
- Selection Financial Advisor, Senior Manager, Bond Counsel and Trustee

## Funding Agreement

### Funding Agreement

- Representations & Undertakings
  - Commission and County representations
  - Reliance by Bondholders
- Security; Title
  - Security for payments under this Contract
  - Security for payment of the bonds
  - Obligations of the County
  - Non-appropriation
- Projects; Issuance of Bonds; Project Funds
  - Agreement to acquire, construct and install projects
  - Agreement to issue bonds; application of proceeds
  - Investment of Funds and accounts
  - Issuance of additional bonds
- Ownership of projects; payment provisions, nature of obligations of the County
  - Term of the contract
  - Commission ownership of projects
  - County payment obligation
  - Place of payment
  - Nature of obligation
- Continuing Disclosure
- Assignment and Redemption
- Event of Default and Remedies

# Cost of Issuance (“COI”) Budget

\$50,000,000

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

Limited Obligation Bonds (Revolving Housing Production Fund) ESTIMATED COST OF ISSUANCE

<b>COST OF ISSUANCE BUDGET (est.)</b>		
<b>UNDERWRITER’S SPREAD</b>		
<b>EXPENSES</b>	<b>New Money</b>	<b>\$/1000</b>
Underwriters Counsel	45,000	0.90
Ipreo	5,112	0.10
CUSIP	1,136	0.02
DTC	800	0.02
Travel & Closing	-	-
<b>TOTAL EXPENSES</b>	<b>52,048</b>	<b>1.04</b>
<b>TAKEDOWN</b>	<b>312,500</b>	<b>6.25</b>
<b>MANAGEMENT</b>	<b>37,500</b>	<b>0.75</b>
<b>TOTAL SPREAD</b>	<b>402,048</b>	<b>8.04</b>
<b>COST OF ISSUANCE</b>		
HOC Bond Counsel	50,000	1.00
County Bond Counsel	32,000	0.64
HOC Financial Advisor	45,000	0.90
HOC Financial Advisor – Computer	40,500	0.81
County Financial Advisor	18,000	0.36
OS Printing	2,200	0.04
Rating	45,000	0.90
Auditor	6,920	0.14
Trustee Upfront & 1st Annual	3,650	0.07
Trustee Counsel	3,250	0.07
Misc/Disbursements	11,432	0.23
<b>TOTAL COST OF ISSUANCE</b>	<b>257,952</b>	<b>5.16</b>
<b>TOTAL ESTIMATED BOND COI</b>	<b>660,000</b>	<b>13.20</b>

- COI budget is estimated and reflects fees and costs associated with a typical bond issuance transaction plus additional fees for county bond counsel and financial advisor.
- Costs are paid from bond proceeds at the time of issuance.
- The Executive Director is authorized to confirm and accept the final COI.



# Financing Team

## Financial Advisor

- Caine Mitter & Associates, Incorporated

## Underwriters

- PNC Capital Markets (Senior Manager)
- Wells Fargo Company (Co-Senior Manager)
- PNC CM will be designated 75% of the bonds and Wells Fargo 25%, similar to the Westside Shady Grove bond issuance.

## Counsel

- Kutak Rock (Bond Counsel)
- Aisha Memon and Eamon Lorincz (HOC Legal)

## Trustee

- TBD (Procurement in progress)

## Rating Agency

- Moody's Investors Service

## Montgomery County

- Financial Advisor, Public Financial Management, Inc.
- Bond Counsel, McKennon, Shelton, & Henn LLP

# BOND ISSUANCE (SUBJECT TO CHANGE)

## April 2021

- Kick-off Call for bond issue
- Coordinate details with County

## May 2021

- Commission Approval—Bond Auth. Resolution, Master Resolution, Series Resolution, Funding Agreement
- Preparation and distribution of bond documents
- Preparation and distribution of Preliminary Official Statement (“POS”)
- Receive Rating
- Distribute Preliminary Rating Agency Cash Flows

## June 2021

- Underwriter’s due diligence conference
- Clear POS
- Bond sale (estimated June 23)
- Final Structure

## July 2021

- Print and Mail Official Statement
- HOC Executes Final Closing Documents
- Execute GIC Documents
- Bond Closing (estimated July 14)
- First Loan Disbursement (estimated August 1)

# Summary and Recommendations

## Issues for Consideration

Will the Commission accept staff's recommendation, which is supported by the Development and Finance Committee and grant its:

1. Approval of a Master Resolution Providing for the Creation of a Revolving Housing Production Fund to Provide Construction Bridge Financing for Multifamily Housing in Montgomery County;
2. Approval to Enter into a Funding Agreement with Montgomery County Maryland to Provide Funding for the Revolving Housing Production Fund;
3. Approval of the Program Parameters of the Housing Production Fund; and Approval of Structure and Cost of Issuance Budget of, and Adoption Of Series Resolution for the Issuance of Limited Obligation Bonds (Revolving Housing Production Fund) Series 2021?

## Budget /Fiscal Impact

Transaction fees will be paid from proceeds of the bond issue and are not expected to adversely impact the current operating budget of the Commission. Proceeds of the bond issuance will provide capital for HOC's multifamily construction financing.

## Time Frame

For formal action at the May 5, 2021 meeting of the Commission.

## Staff Recommendation and Commission Action Needed

Staff recommends that the Commission:

1. Approve a Master Resolution Providing for the Creation of a Revolving Housing Production Fund to Provide Construction Bridge Financing for Multifamily Housing in Montgomery County;
2. Approve the Entering into a Funding Agreement with Montgomery County Maryland to Provide Funding for the Revolving Housing Production Fund;
3. Approve the Program Parameters of the Housing Production Fund; and Approve Structure and Cost of Issuance Budget of, and Adopt the Series Resolution for the Issuance of Limited Obligation Bonds (Revolving Housing Production Fund) Series 2021.

RESOLUTION: 2021-46

Re: Approval of a New Master Resolution to Implement a Revolving Housing Production Fund; Approval of Structure, Cost of Issuance Budget, and Adoption of Series Resolution for the Issuance of Limited Obligation Bonds, Series 2021 to Provide Funding for the Revolving Housing Production Fund.

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (the “Commission”) is a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, and the Memorandum of Understanding effective June 29, 2018 between the Commission and Montgomery County, Maryland (collectively, the “Act”), and is authorized thereby to issue its notes and bonds from time to time to fulfill its corporate purposes, which include, without limitation, the construction, financing and operation of housing developments for persons of eligible income; and

**WHEREAS**, to meet the goals of the County for increased housing and increased availability of affordable housing, the County has determined that new creative and dynamic tools are needed including new tools for financing the production of new mixed-income housing developments including housing units affordable to households earning less than 50% of area median income;

**WHEREAS**, the County and the Commission have determined that it is in the public interest to establish a revolving housing production fund to be used for construction bridge financing for residential rental projects (the “Program”) which will be funded with the proceeds of notes, bonds, certificates or other evidences of indebtedness of the Commission and to finance such Program through the issuance by the Commission of its limited obligation bonds (the “Bonds”); and

**WHEREAS**, the Commission has determined to issue, sell and deliver its Housing Opportunities Commission of Montgomery County Limited Obligation Bonds (Revolving Housing Production Fund) in one or more series in an aggregate principal amount of not to exceed \$50,000,000 (the “Series Bonds”) pursuant to and in accordance with the terms of the Commission’s Master Resolution dated as of July 1, 2021 (the “Master Resolution”) for the purpose of obtaining moneys to provide construction bridge financing for residential rental developments in the Commission’s pipeline (the “Series Purposes”); and

**WHEREAS**, the County and the Commission propose to enter into a Funding Agreement dated as of July 1, 2021 (the “Funding Agreement”), pursuant to which (i) the Commission agrees to establish and maintain the Program in accordance with the terms, conditions and guidelines set forth in the Funding Agreement, and (ii) the County has agreed to provide amounts sufficient to repay principal of and interest on the Bonds, including the Series Bonds, subject to annual appropriation as provided in the Master Resolution and in the Funding Agreement; and

**WHEREAS**, to secure its payment obligations under the Bonds, the Commission will pledge and grant to the Holders (as defined herein) a first priority security interest in the payments under the Funding Agreement and a first priority security interest in the contract rights of the Commission contained in the Funding Agreement (other than its Reserved Rights as defined in the Master Resolution); and

**WHEREAS**, the Series Bonds will be issued pursuant to one or more series resolutions (collectively, the “Series Resolution” and together with the Master Resolution, the “Resolution”), drafts of which have been provided to the Commission, and the Series Bonds will be marketed to potential holders of the Bonds pursuant to a Preliminary Official Statement (the “Preliminary Official Statement,” and following the sale of the Series Bonds and the appropriate revisions reflecting the final pricing and terms of the Series Bonds, the “Official Statement”); and

**WHEREAS**, the Bonds and the interest and any premium thereon shall be limited obligations of the Commission and shall be secured by and payable from the Trust Estate pledged and assigned to the Trustee by the Commission under the Resolution;

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that:

1. ***Approval of the Funding Agreement.*** The Commission hereby approves the Funding Agreement, a draft of which has been provided to the Commission, and the use thereof for purposes of carrying out the Program. The Executive Director is hereby authorized to approve the final provisions Funding Agreement.

2. ***Approval of the Master Resolution.*** The Commission hereby approves the Master Resolution, a draft of which has been provided to the Commission, and the use thereof for purposes of carrying out the Program. The Executive Director is hereby authorized to approve the final provisions Master Resolution.

3. ***The Series Bonds; Approval of the Series Resolutions and the Structure of the Series Bonds.*** The Commission hereby authorizes the issuance of the Series Bonds in an aggregate principal amount not to exceed \$50,000,000 to finance the Series Purposes. The Series Bonds shall be issued pursuant to the terms of the Master Resolution and pursuant to the terms of the Series Resolution, a draft of which has been provided to the Commission. The Commission hereby approves the current provisions of the Series Resolution and the structure of and the security for the Series Bonds set forth therein. The Executive Director is hereby authorized to approve the final provisions of the Series Resolution, the Preliminary Official Statement and the Official Statement prior to the issuance of the Series Bonds.

4. ***Commission Documents.*** The Chair, the Vice-Chair, the Chair Pro Tem and the Executive Director of the Commission are hereby authorized and directed to execute and deliver the Funding Agreement, the Master Resolution, the Series Resolution, the Official Statement and any such other documents and agreements to be prepared in connection with the execution and delivery of the Master Resolution and the issuance of the Series Bonds (the “Commission Documents”) in such forms as shall be prepared and approved by the Chair, the Vice Chair, the Chair Pro Tem or the Executive Director, the execution and delivery of the Commission

Documents being conclusive evidence of such approval and of the approval of the Commission. The Secretary of the Commission, or any other Authorized Representative (defined below), is hereby authorized and directed to affix the seal of the Commission to the Commission Documents and to attest the same.

5. ***Authorizing Ongoing Determinations under Commission Documents.*** The Executive Director is hereby authorized, without further authority from the Board of Commissioners, to perform any act, to execute any documents, and to make any ongoing determinations as may be required to be made on behalf of the Commission from time to time, including, but not limited to, the determination of other terms to be in effect with respect to the Series Bonds as shall be set forth in the Commission Documents.

6. ***Other Action.*** The Chair or Vice Chair or Chair Pro Tem and the Executive Director of the Commission or a person designated by the Executive Director to act on his behalf (an “Authorized Representative”) are hereby authorized and directed to undertake any other actions necessary (i) for the issuance and sale of the Series Bonds, (ii) for the performance of any and all actions required or contemplated under the Funding Agreement, the Master Resolution, the Series Resolution, the Official Statement and any other financing documents relating to the issuance of the Series Bonds, and (iii) for the entire period during which the Series Bonds are outstanding following the issuance thereof.

7. ***Approval of Cost of Issuance.*** The Commission approves the cost of issuance budget currently estimated to be \$660,000 to be incurred by the Commission in connection with the issuance of the Series Bonds. The Executive Director is hereby authorized to confirm and approve the final cost of issuance budget. The Commission hereby authorizes the payment of costs of issuance from proceeds of the Series Bonds.

8. ***Appointment of Underwriters, Financial Advisor and Bond Counsel; Appointment of Trustee.*** The Series Bonds shall be sold to PNC Capital Markets, LLC and Wells Fargo Bank, National Associations underwriters (together, the “Underwriters”), pursuant to purchase contract between the Commission and the Underwriters, as shall be approved by the Executive Director. Caine Mitter & Associates Incorporated is hereby appointed as Financial Advisor, and Kutak Rock LLP, Washington, D.C., is hereby appointed as Bond Counsel in connection with the issuance of the Series Bonds. The Executive Director is hereby authorized to appoint a Trustee for the Bonds as necessary to effectuate the transactions contemplated by the Resolution.

9. ***Action Approved and Confirmed.*** All acts and doings of the officers of the Commission which are in conformity with the purposes and intent of this resolution and in the furtherance of the issuance and sale of the Series Bonds and the execution, delivery and performance of the Commission Documents authorized hereby are in all respects approved and confirmed.

10. ***Severability.*** If any provision of this resolution shall be held or deemed to be illegal, inoperative or unenforceable, the same shall not affect any other provision or cause any other provision to be invalid, inoperative or unenforceable to any extent whatsoever.

11. *Effective Date.* This resolution shall take effect immediately.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on May 5, 2021.

By: \_\_\_\_\_  
Patrice Birdsong  
Special Assistant

[SEAL]

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY**

**MASTER RESOLUTION**

**Resolution No. 2021-\_\_**

**Dated as of July 1, 2021**

**with respect to**

**Housing Opportunities Commission of Montgomery County  
Revolving Housing Production Fund**

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**A MASTER RESOLUTION PROVIDING FOR THE ISSUANCE BY THE HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY OF ITS LIMITED OBLIGATION BONDS (REVOLVING HOUSING PRODUCTION FUND), FOR THE PURPOSE OF ASSISTING MONTGOMERY COUNTY, MARYLAND IN FUNDING A REVOLVING HOUSING PRODUCTION FUND TO PROVIDE CONSTRUCTION BRIDGE FINANCING FOR MULTIFAMILY HOUSING WITHIN MONTGOMERY COUNTY, MARYLAND; AND FOR RELATED MATTERS.**

WHEREAS, the Housing Opportunities Commission of Montgomery County (the “Commission”) is a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law (the “Housing Authorities Law”) and the Memorandum of Understanding between the Commission and Montgomery County, Maryland, effective as of June 29, 2018 (the “MOU,” and together with the Housing Authorities Law, the “Act”); and

WHEREAS, pursuant to the Act, for the purpose of facilitating the development of a sufficient supply of decent, safe and sanitary single family residential housing and multifamily rental housing in Montgomery County, Maryland (the “County”), at prices affordable by persons who individually or as part of a family unit lack sufficient income or assets to enable them without financial assistance to live in decent, safe and sanitary dwellings without overcrowding, the Commission is authorized, *inter alia*: (a) to make mortgage loans and rent subsidy payments to persons of eligible income, (b) to make construction loans and long-term mortgage loans to any person to produce housing for persons of eligible income; (c) to purchase mortgages secured by housing for persons of eligible income; (d) to enter into development agreements as may be necessary or convenient, provided that such development agreements satisfy and comply with the provisions of the Act; (e) to contract to furnish services, consultation, advice and assistance to other housing authorities or other persons in or outside the State of Maryland (the “State”) to assist in developing, managing, renovating, or constructing housing as described above; (f) to issue bonds, notes or other evidences of indebtedness as authorized under Section 12-701 of the Housing Authorities Law; (g) to secure any of its bonds by pledging any revenue or mortgage to a housing project or other property of the Commission; and (h) to take other actions necessary or convenient to carry out and effectuate the purposes and provisions of the Housing Authorities Law; and

WHEREAS, to meet the goals of the County for increased housing and increased availability of affordable housing, the County has determined that new creative and dynamic tools are needed including new tools for financing the production of new mixed-income housing developments including housing units affordable to households earning less than 50% of area median income;

WHEREAS, the County and the Commission have determined that it is in the public interest to implement a Revolving Housing Production Fund (the “Program”) and to finance such Program through the issuance by the Commission of its Limited Obligation Bonds (as more fully described herein, the “Bonds”); and

WHEREAS, the Commission has determined to issue, sell and deliver its limited obligations to be known as “Housing Opportunities Commission of Montgomery County Limited Obligation Bonds (Revolving Housing Production Fund)” in one or more series in an aggregate principal amount of not to exceed \$50,000,000 (the “Initial Bonds”) pursuant to and in accordance with the terms of this Resolution for the purpose of obtaining moneys to finance the Program; and

WHEREAS, the County and the Commission have entered into a Funding Agreement dated as of July 1, 2021 (the “Funding Agreement”), pursuant to which (i) the Commission agrees to establish and maintain the Program in accordance with the terms, conditions and guidelines set forth in the Funding Agreement, and (ii) the County has agreed to provide amounts sufficient to repay principal of and interest on such bonds, notes, certificates or other evidences of indebtedness issued by the Commission to finance the Program, subject to annual appropriation as provided herein and in the Funding Agreement; and

WHEREAS, to secure its payment obligations under the Bonds, the Commission will pledge and grant to the Holders (as defined herein) a first priority security interest in the payments under the Funding Agreement (the “Pledged Revenues”) and a first priority security interest in the contract rights of the Commission contained in the Funding Agreement (other than its Reserved Rights as defined herein); and

WHEREAS, all things necessary to make the Initial Bonds, when authenticated by the Bond Registrar (as defined herein) and issued and delivered as provided in this Resolution, the legal, valid, binding, and enforceable limited obligations of the Commission according to the import thereof, and to create a valid pledge of the payments to be made under the Funding Agreement to the payment of the principal of, redemption premium, if any, and interest on the Initial Bonds and a valid collateral assignment of certain of the rights, title, and interest of the Commission in and to the Funding Agreement have been done and performed, and the adoption of this Resolution and the execution, issuance, and delivery of the Initial Bonds, subject to the terms hereof, have in all respects been authorized;

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, and it is hereby resolved by authority of the same, as follows:

## ARTICLE I

### DEFINITIONS

**Section 1.01. Definitions.** In addition to the words and terms defined elsewhere herein, the following words and terms shall have the meanings specified below unless the context or use indicates another or different meaning or intent:

“*Act*” has the meaning assigned in the recitals hereto.

“*Additional Bonds*” means the additional parity Bonds authorized to be issued by the Commission pursuant to the terms and conditions of Section 2.09.

“*Authorized Commission Representative*” means the person at the time designated to act on behalf of the Commission by written certificate furnished to the County and the Trustee,

containing the specimen signature of such person and signed on behalf of the Commission by the Chairman or Vice Chairman of its Governing Body. Such certificate or any subsequent or supplemental certificate so executed may designate an alternate or alternates.

“*Beneficial Owner*” means the Person in whose name a Bond is recorded as beneficial owner of such Bond by the Securities Depository or a Participant on the records of the Securities Depository or such Participant, as the case may be, or such Person’s subrogee.

“*Bond Register*” means the registration books maintained and to be maintained by the Bond Registrar.

“*Bond Registrar*” means the commercial bank appointed by the Commission to maintain, in accordance with the provisions of this Resolution, the registration books of the Commission for any series of Bonds. \_\_\_\_\_, \_\_\_\_\_, is the initial Bond Registrar for the Bonds.

“*Bonds*” means the Initial Bonds and all series of Additional Bonds from time to time authenticated and delivered under this Resolution.

“*Bond Year*” means the twelve-month period beginning on \_\_\_\_ of each calendar year and ending on \_\_\_\_ of the next succeeding calendar year.

“*Book-Entry System*” means the system maintained by the Securities Depository described in Section 2.10.

“*Business Day*” means any day other than (i) a Saturday or Sunday, (ii) a day on which the Trustee is required or permitted by law to close and (iii) a day on which the New York Stock Exchange is closed.

“*Commission*” means the Housing Opportunities Commission of Montgomery County, a public body corporate and an instrumentality of the State of Maryland, in its capacity as issuer of the Bonds, or any successor to its rights and obligations under this Resolution.

“*Costs of Issuance Fund*” means the fund created in Section 4.02(a)(ii).

“*County*” means Montgomery County, Maryland, created and existing under the laws of the State of Maryland.

“*Event of Default*” means any of the events defined as such in Section 7.01 hereof.

“*Funding Agreement*” means the Funding Agreement dated as of July 1, 2021, by and between the County and the Commission, as may be amended, modified or supplemented in accordance with its terms.

“*Governing Body*” means the Board of Commissioners of the Commission or the County Council of the County, as the case may be.

“*Government Obligations*” means direct general obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department

of Treasury of the United States of America) or obligations the payment of the principal of and interest on which when due are fully and unconditionally guaranteed by the United States of America.

“*Initial Bonds*” means the Commission’s Limited Obligation Bonds (Revolving Housing Production Fund)” in an aggregate principal amount of not to exceed \$50,000,000 to be issued from time to time in one or more series pursuant to and in accordance with the terms of this Resolution and the related Series Resolution.

“*Holders*” means the Persons in whose names any of the Bonds are registered on the books kept and maintained by the Bond Registrar.

“*Interest Payment Date*” means the date or dates on which interest is paid on a series of Bonds as set forth in the applicable Series Resolution.

“*Loan Repayments Fund*” means the fund established by, or on behalf of, the Commission pursuant to Section 4.02(a) hereof.

“*Moody’s*” means Moody’s Investor Services, Inc. or, if such corporation is dissolved or liquidated or otherwise ceases to perform securities rating services, such other nationally recognized securities rating agency as may be designated in writing by the Commission.

“*Outstanding Bonds*” or “*Bonds Outstanding*” or “*Outstanding*” means all Bonds which have been duly authenticated and delivered by the Bond Registrar under this Resolution, except:

- (a) Bonds theretofore cancelled or required to be cancelled by the Bond Registrar;
- (b) Bonds which are deemed to have been paid in accordance with Article XI; and
- (c) Bonds in substitution for which other Bonds have been authenticated and delivered under Section 2.07.

If this Resolution shall be discharged pursuant to Article XI, no Bonds shall be deemed to be outstanding within the meaning of this provision.

“*Participant*” means one of the entities, which is a member of the Securities Depository and deposits securities, directly or indirectly, in the Book-Entry System.

“*Paying Agent*” means the commercial bank or banks appointed by the Commission to serve as paying agent in accordance with the terms of this Resolution for any series of Bonds, and their successors and assigns. \_\_\_\_\_, \_\_\_\_\_, is the initial Paying Agent for the Bonds.

“*Permitted Investments*” means any one or more of the following investments, if and to the extent the same are then legal investments under the applicable laws of the State for moneys proposed to be invested therein:

(i) Government Obligations;

(ii) Direct and general obligations of any state within the United States of America or of any political subdivision of such a state, provided that at the time of purchase such obligations are rated in either of the two highest rating categories by each Rating Agency then rating the Bonds at the request of the Commission;

(iii) Bonds, debentures, participation certificates, notes or other obligations issued or unconditionally guaranteed by any of the following: Federal Home Loan Banks, Farm Credit System (including the Bank for Cooperatives, Federal Land Banks, Federal Farm Credit Banks and Federal Intermediate Credit Banks), Fannie Mae, Farmer's Home Administration (or its successor, the Rural Housing and Community Development Service), Federal Home Loan Mortgage Corporation, Government National Mortgage Association, Small Business Administration, Resolution Funding Corporation, or any other Commission or corporation which has been or may hereafter be created by or pursuant to an Act of the Congress of the United States as an Commission or instrumentality thereof or sponsored thereby;

(iv) Repurchase agreements, provided that such obligation is (1) rated in one of the three highest rating categories by any Rating Agency then rating the Bonds or (2) continuously and fully collateralized by such securities as are described above in clauses (i) through (iii), inclusive, which shall have a market value at all times equal to at least the principal amount of such obligation;

(v) Certificates of deposit, time deposits or demand deposits, whether negotiable or nonnegotiable, issued by any bank or trust company organized under the laws of the United States or any state, provided that such certificates of deposit, time deposits or demand deposits shall be either (1) continuously and fully insured by the Federal Deposit Insurance Corporation, or (2) continuously and fully collateralized by such securities as are described above in clauses (i) through (iii), inclusive, which shall have a market value at all times at least equal to the principal amount of such certificates of deposit, time deposits or demand deposits;

(vi) Money market funds registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, and having a rating by S&P of AAAm-G; AAA-m; or AA-m and if rated by Moody's rated Aaa, Aa1 or Aa2.

(vii) Stripped securities: principal-only strips and interest-only strips of noncallable obligations issued by the U.S. Treasury, and REFCORP securities stripped by the Federal Reserve Bank of New York; and

(viii) Guaranteed investment contracts or similar deposit agreements with insurance companies, banks or other financial institutions, unless such contract or agreement would adversely affect the then current rating on the Bonds by each Rating Agency then rating the Bonds at the request of the Commission.

Notwithstanding the foregoing, it is expressly understood that the definition of Permitted Investments shall be, and be deemed to be, expanded, or new definitions and related provisions



shall be added to this Master Resolution, thus permitting investments with different characteristics from those permitted which an Authorized Commission Representative deems from time to time to be in the interest of the Commission, as reflected in a written certificate of an Authorized Commission Representative or in a Supplemental Resolution, if at the time of inclusion such inclusion will not, in and of itself, adversely affect the then current rating on the Bonds by each Rating Agency then rating the Bonds at the request of the Commission, as certified in such written certificate of an Authorized Commission Representative or Supplemental Resolution.

“*Person*” means natural persons, firms, joint ventures, associations, trusts, partnerships, corporations, and public bodies.

“*Pledged Revenues*” means all amounts payable by or on behalf of the County pursuant to the Funding Agreement and deposited with the Trustee and all other amounts pledged hereunder pursuant to Section 4.01 hereof.

“*Program*” has the meaning assigned in the recitals hereto.

“*Project Fund*” means the fund established by the Commission pursuant to Section 4.02(a) of this Resolution.

“*Rating*” means a rating in one of the categories by a Rating Agency, disregarding pluses, minuses, and numerical gradations.

“*Rating Agencies*” or “*Rating Agency*” means Moody’s and Standard & Poor’s, or any successors thereto and any other nationally recognized credit rating agency. If at any time a particular Rating Agency does not have a rating outstanding with respect to the relevant Bonds, then a reference to Rating Agency or Rating Agencies will not include such Rating Agency.

“*Record Date*” means, with respect to any Interest Payment Date, the 15th day of the calendar month next preceding such Interest Payment Date.

“*Registrar and Paying Agent Agreement*” means the Registrar and Paying Agent Agreement dated as of \_\_\_\_ 1, \_\_\_\_, between the Commission and \_\_\_\_\_, as may be amended, modified or replaced.

“*Reserved Rights*” means the rights of the Commission to give or withhold approvals, consents and waivers and to receive documentation and notices, and the right to enforce any of the foregoing.

“*Resolution*” means this Master Resolution dated as of July 1, 2021, as may be modified, supplemented or amended by Supplemental Resolutions in accordance with the terms hereof.

“*Securities Depository*” means The Depository Trust Company, New York, New York, or its nominee, and substitute for or successor to such securities depository that shall maintain a Book-Entry System with respect to the Bonds.

“*Series Resolution*” means a bond resolution or bond resolutions (which may be supplemented by one or more bond resolutions) to be adopted prior to the delivery of any series of

Bonds. Each such bond resolution shall establish the date or dates of the pertinent series of Bonds, the schedule of maturities thereof, the name of the purchaser or purchasers thereof, the purchase price thereof, the rate or rates of interest to be borne thereby, and the terms and conditions, if any, under which such Bonds may be made subject to redemption prior to maturity, and such other details as the Commission may determine.

“*Sinking Fund*” means the fund created in Section 4.02(a)(i).

“*Standard & Poor’s*” or “*S&P*” means Standard & Poor’s Ratings Services, a division of The McGraw Hill Companies, Inc., if such corporation is dissolved or liquidated or otherwise ceases to perform securities rating services, such other nationally recognized securities rating agency as may be designated in writing by the Commission.

“*State*” means the State of Maryland.

“*Supplemental Resolution*” means (i) any Series Resolution and (ii) any modification, amendment, or supplement to this Resolution other than a Series Resolution.

“*Term Bonds*” means Bonds which mature on one date, yet a significant portion of which are required to be redeemed prior to maturity under a schedule of mandatory redemptions to be established by the Series Resolution authorizing the issuance of such Bonds.

“*Trustee*” means the commercial bank appointed by the Commission as depository for the Project Fund, the Administrative Costs Fund and the Loan Repayments Fund and as Trustee for the Sinking Fund and the Costs of Issuance Fund, and its successors and assigns. \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, is the initial Trustee.

**Section 1.02. Construction of Certain Terms.** For all purposes of this Resolution, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction shall apply:

(a) The use of the masculine, feminine, or neuter gender is for convenience only and shall be deemed and construed to include correlative words of the masculine, feminine, or neuter gender, as appropriate.

(b) “This Resolution” means this instrument as originally adopted or as it may from time to time be supplemented or amended by one or more resolutions supplemental hereto adopted pursuant to the applicable provisions hereof.

(c) All references in this instrument to designated “Articles,” “Sections,” and other subdivisions are to the designated Articles, Sections, and other subdivisions of this Resolution. The words “herein,” “hereof,” and “hereunder” and other words of similar import refer to this Resolution as a whole and not to any particular Article, Section, or other subdivision.

(d) The terms defined in this Article shall have the meanings assigned to them in this Article and include the plural as well as the singular.

**Section 1.03. Table of Contents; Titles and Headings.** The table of contents, the titles of the articles, and the headings of the sections of this Resolution are solely for convenience of reference, are not a part of this Resolution, and shall not be deemed to affect the meaning, construction, or effect of any of its provisions.

## ARTICLE II

### AUTHORIZATION, FORM, AND REGISTRATION OF BONDS

**Section 2.01. Authorization; Designation of Bonds.** The Bonds authorized under this Resolution shall be designated “Housing Opportunities Commission of Montgomery County Limited Obligation Bonds (Revolving Housing Production Fund)” and shall be in substantially the form set forth in each Series Resolution. There is hereby authorized to be issued the Initial Bonds, in one or more series, designated “Housing Opportunities Commission of Montgomery County Limited Obligation Bonds (Revolving Housing Production Fund),” in an aggregate principal amount of not to exceed \$50,000,000. Additional Bonds may be issued from time to time as provided in, and subject to the limitations set forth in, this Article.

The Initial Bonds and any Additional Bonds shall be issued and sold from time to time in one or more series as the Commission may determine by Series Resolutions. A certified copy of each Series Resolution shall be filed with the Bond Registrar and the County.

**Section 2.02. Terms of Bonds.** The Bonds shall be issued in fully registered form in denominations of \$5,000 or integral multiples thereof. Each series of the Bonds shall be dated, bear interest at the applicable rates and mature on the dates set forth in the related Series Resolution; provided that no series of the Initial Bonds or any Bonds that may be issued to refund the Initial Bonds shall mature more than twenty (20) years after the initial date of issuance of the Initial Bonds.

Each Bond authenticated prior to the first Interest Payment Date thereon shall bear interest from its dated date. Each Bond authenticated on or after the first Interest Payment Date thereon shall bear interest from the Interest Payment Date thereon next preceding the date of authentication thereof, unless such date of authentication shall be an Interest Payment Date to which interest on such Bond has been paid in full or duly provided for, in which case from such date of authentication; provided that if, as shown by the records of the Paying Agent, interest on such Bond shall be in default, such Bond shall bear interest from the date to which interest has been paid in full on such Bond or, if no interest has been paid on such Bond, its dated date. Each Bond shall bear interest on overdue principal and, to the extent permitted by law, on overdue premium, if any, and interest at the rate borne by such Bond.

Some or all of the Bonds may be issued as Term Bonds maturing in one or more years, yet subject to mandatory redemption prior to maturity. Any requirement for the mandatory redemption of Term Bonds prior to maturity may be satisfied to the extent that any Bonds of the same series and maturity shall have been acquired by the Commission and presented for cancellation to the Bond Registrar on or prior to the mandatory redemption date.

**Section 2.03. Place of Payment.** The principal of, premium, if any, and interest on the Bonds shall be payable in lawful money of the United States of America. Payments of interest and of principal (including upon redemption pursuant to Section 3.01 or 3.02) shall be mailed by first-class mail to the Holders at their addresses appearing on the records of the Bond Registrar; provided, however, that interest shall be payable by wire transfer to any Holder of a series of Bonds in the principal amount of \$1,000,000 or more at the written request of such Holder received by the Bond Registrar at least five days prior to the Record Date. Payment of the principal (other than upon redemption pursuant to Section 3.02) of and premium, if any, on a Bond shall only be made upon presentation and surrender of such Bond at the principal corporate trust office of the Paying Agent.

**Section 2.04. Execution and Authentication; Form of Bonds.** The Bonds shall be executed in the name of the Commission, shall bear the manual or facsimile signature of the Chairman or Vice Chairman of the Commission, and the actual or facsimile seal of the Commission shall be affixed to or imprinted on the Bonds and attested by the manual or facsimile signature of the Secretary-Treasurer of the Commission. Pending delivery of definitive Bonds, temporary Bonds may be issued and delivered, signed by such officials with their manual or facsimile signatures. In case any official whose signature shall appear on the Bonds shall cease to be such official before delivery of the Bonds, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such official had remained in office until such delivery.

Only such Bonds as shall be authenticated by the endorsement thereon of a certificate of authentication, executed by the Bond Registrar by the manual signature of one of its authorized signatories, shall be secured by this Resolution or shall be entitled to any benefit under this Resolution. Every such certificate of the Bond Registrar upon any Bond purporting to be secured by this Resolution shall be conclusive evidence that the Bond so certified has been duly issued under this Resolution and that the owner is entitled to the benefits of this Resolution. It shall not be necessary that the same signatory sign the certificate of authentication on all of the Bonds secured under this Resolution.

**Section 2.05. Proof of Ownership.** The Person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and the payment of the principal of, redemption premium, if any, and interest on each Bond shall be made only to or upon the order of the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including redemption premium, if any, and the interest thereon to the extent of the sums so paid.

**Section 2.06. Bond Registrar; Transfer and Exchange.** The Bond Registrar shall keep the Bond Register for the registration of the Bonds and for the registration of transfers of the Bonds as herein provided. The transfer of any Bond shall be registered upon the Bond Register upon the surrender and presentation of such Bond at the principal corporate trust office of the Bond Registrar duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or the registered owner's attorney duly authorized in writing in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall authenticate and deliver in exchange for such Bond or Bonds so surrendered, a new Bond or Bonds registered in the name of the transferee of the same series, maturity, interest rate, aggregate

principal amount, and tenor, of any authorized denomination or denominations, and bearing numbers not then contemporaneously outstanding.

Any Bond, upon presentation and surrender thereof at the principal corporate trust office of the Bond Registrar, may be exchanged for an aggregate principal amount of Bonds of other authorized denominations of the same series, maturity, and interest rate, and bearing numbers not then contemporaneously outstanding. The Commission shall cause to be executed and the Bond Registrar shall authenticate and deliver Bonds which the Holder making the exchange is entitled to receive.

The Bond Registrar may make a charge for every exchange or registration of transfer of the Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge shall be made to the owner for the privilege of exchanging or registering the transfer of Bonds under this Resolution.

All Bonds surrendered for exchange or transfer of registration shall be cancelled and destroyed by the Bond Registrar in accordance with Section 2.08.

**Section 2.07. Mutilated, Lost, Stolen, or Destroyed Bonds.** If any Bond is mutilated, lost, stolen, or destroyed, the Commission may execute and the Bond Registrar shall authenticate and deliver a new Bond of the same series, maturity, interest rate, aggregate principal amount, and tenor in lieu of and in substitution for the Bond mutilated, lost, stolen, or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Bond Registrar, and in the case of any lost, stolen, or destroyed Bond, there shall be first furnished to the Bond Registrar evidence satisfactory to it of the ownership of such Bond and of such loss, theft, or destruction, together with indemnity to the Commission and the Bond Registrar, satisfactory to each of them. If any such Bond shall have matured or a redemption date pertaining thereto shall have passed, instead of issuing a new Bond, the Commission may pay or cause the Paying Agent to pay the same. The Commission, the Bond Registrar, and the Paying Agent may charge the owner of such Bond with their reasonable fees and expenses in this connection.

In executing a new Bond and in furnishing the Bond Registrar with the written authorization to authenticate and deliver a new Bond as provided for in this Section, the Commission may rely conclusively on a representation of the Bond Registrar that the Bond Registrar is satisfied with the adequacy of the evidence presented concerning the mutilation, loss, theft, or destruction of any Bond.

**Section 2.08. Destruction of Bonds.** All Bonds that have been surrendered to the Bond Registrar pursuant to Section 2.06 or 2.07 or payment upon maturity or redemption prior to maturity, following payment or exchange thereof, as applicable, shall be cancelled immediately and, if applicable, held by the Bond Registrar for its retention period then in effect, and thereafter shall be destroyed by the Bond Registrar and a certificate of destruction shall be delivered to the Commission, if requested in writing.

**Section 2.09. Additional Bonds.** No other revenue bonds or other obligations shall hereafter be issued which are payable from or enjoy a lien on the Pledged Revenues prior to the lien created for the payment of the Initial Bonds.

Additional Bonds may be issued by the Commission, however, from time to time, ranking as to lien on the Pledged Revenues on a parity with the Initial Bonds, provided all of the following conditions are met:

(a) None of the Outstanding Bonds are in default as to payment of principal or interest.

(b) The Commission is in compliance with the terms and conditions of this Resolution and the County is in compliance with the terms and conditions of the Funding Agreement.

(c) The payments to be made into the Sinking Fund have been made in the full amounts required.

(d) The Commission and the County shall amend the Funding Agreement and reaffirm all applicable provisions of the Funding Agreement, under the terms of which amendment the County must obligate itself to pay to the Trustee payments sufficient to pay the principal of, premium, if any, and interest on the Outstanding Bonds and the Additional Bonds proposed to be issued as the same become due and payable, either at maturity or by proceedings for mandatory redemption. Provided however that any obligation of the County to make payments under the Funding Agreement as amended by the County shall be subject to annual appropriation.

(e) The Commission shall pass proper proceedings reciting that all of the above requirements have been met, shall authorize the issuance of the Additional Bonds, and shall provide in such proceedings, among other things, the date or dates of such Additional Bonds, the payment date or dates of such Additional Bonds, the rate or rates of interest which such Additional Bonds shall bear, the maturity dates of such Additional Bonds, redemption provisions for such Additional Bonds, and provisions for registration of such Additional Bonds. The proceedings for such Additional Bonds may contain additional restrictions on the issuance of Additional Bonds, which restrictions shall, so long as, but only so long as, such Additional Bonds remain Outstanding be for the benefit of any other Bonds secured by this Resolution. Any such proceeding or proceedings shall ratify and reaffirm, by reference, all of the applicable terms, conditions, and provisions of this Resolution.

(f) The Commission shall furnish the County with a duly certified copy of the Series Resolution and a resolution of the Commission authorizing the issuance of such Additional Bonds, and the County, shall acknowledge receipt of the certified copy of such Series Resolution, retain such Series Resolution in its permanent records,.

(g) The requirements of Article IV of the Funding Agreement shall have been satisfied.

(h) The Additional Bonds and all proceedings relative thereto, and the security therefor, shall be validated as prescribed by law.

**Section 2.10. Book-Entry System.** Upon the initial issuance and delivery of each series of Bonds, the Bonds shall be issued in the name of the Securities Depository or its nominee, as registered owner of the Bonds, and held in the custody of the Securities Depository or its designee. A single certificate (or such number of certificates required by the procedures of the Securities Depository) will be issued and delivered to the Securities Depository (or its designee) for each maturity of each series of Bonds, and the Beneficial Owners will not receive physical delivery of Bond except as provided herein. For so long as the Securities Depository shall continue to serve as securities depository for the Bonds as provided herein, all transfers of beneficial ownership interests will be made by book-entry only, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership of Bonds is to receive, hold or deliver any Bond. The Commission, the Bond Registrar and the Paying Agent will recognize the Securities Depository or its nominee as the Holder for all purposes, including notices.

The Commission, the Bond Registrar and the Paying Agent may rely conclusively upon (i) a certificate of the Securities Depository as to the identity of the Participants in the Book-Entry System with respect to the Bonds and (ii) a certificate of any such Participant as to the identity of, and the respective principal amount of Bonds beneficially owned by, the Beneficial Owners.

Whenever, during the term of the Bonds, the beneficial ownership thereof is determined by a Book-Entry System at the Securities Depository, the requirements in this Resolution of holding, delivering or transferring Bonds shall be deemed modified to require the appropriate Person to meet the requirements of the Securities Depository as to registering or transferring the book-entry Bonds to produce the same effect. Any provision hereof permitting or requiring delivery of Bonds shall, while the Bonds are in the Book-Entry System, be satisfied by the notation on the books of the Securities Depository in accordance with applicable state law.

Except as otherwise specifically provided in this Resolution and the Bonds with respect to the rights of Participants and Beneficial Owners, when a Book-Entry System is in effect, the Commission, the Bond Registrar and the Paying Agent may treat the Securities Depository (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of (i) payment of the principal of, premium, if any, and interest on the Bonds or portion thereof to be redeemed, (ii) giving any notice permitted or required to be given to the Holders under this Resolution and (iii) the giving of any direction or consent or the making of any request by the Holders hereunder, and none of the Commission, the Bond Registrar and the Paying Agent shall be affected by any notice to the contrary. None of the Commission, the Bond Registrar and the Paying Agent will have any responsibility or obligations to the Securities Depository, any Participant, any Beneficial Owner or any other Person which is not shown on the Bond Register, with respect to (i) the accuracy of any records maintained by the Securities Depository or any Participant; (ii) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption of, or interest on, any Bonds; (iii) the delivery of any notice by the Securities Depository or any Participant; (iv) the selection of the Participants or the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds or (v) any consent given or any other action taken by the Securities Depository or any Participant. The Paying Agent shall pay all principal of, premium, if any, and interest on the Bonds registered in the name of a nominee of the Securities Depository only to or “upon the order of” the Securities Depository (as that term is used in the Uniform Commercial Code as adopted in the State), and all such payments shall be valid and effective to fully satisfy

and discharge the Commission's obligations with respect to the principal of, premium, if any, and interest on such Bonds to the extent of the sum or sums so paid.

The Book-Entry System may be discontinued by the Commission, at the direction and expense of the Commission, and the Commission and the Bond Registrar will cause the delivery of Bond certificates to such Beneficial Owners of the Bonds and registered in the names of such Beneficial Owners as shall be specified to the Bond Registrar by the Securities Depository in writing, under the following circumstances: (i) the Securities Depository determines to discontinue providing its service with respect to the Bonds and no successor Securities Depository is appointed; such a determination may be made at any time by giving 30 days' notice to the Commission, the Bond Registrar and the Paying Agent and discharging its responsibilities with respect thereto under applicable law or (ii) the Commission determines not to continue the Book-Entry System through a Securities Depository.

In the event the Book-Entry System is discontinued, the Bond Registrar shall mail a notice to the Securities Depository for distribution to the Beneficial Owners stating that the Securities Depository will no longer serve as securities depository, the procedures for obtaining Bonds and the provisions of this Resolution which govern the Bonds, including, but not limited to, provisions regarding authorized denominations, transfer and exchange, principal and interest payment and other related matters.

When the Book-Entry System is not in effect, all references herein to the Securities Depository shall be of no further force or effect and the Commission shall, at the expense of the Commission, issue Bonds directly to the Beneficial Owners.

**Section 2.11. Limited Obligations.** The Bonds shall be limited obligations of the Commission, shall be payable solely from the Pledged Revenues, and shall be a valid claim of the Holders only against the Pledged Revenues, which Pledged Revenues are hereby again specifically pledged and assigned for the payment of the Bonds and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Bonds, except as may be otherwise expressly authorized in this Resolution and the Funding Agreement. The Bonds shall not constitute general obligations of the County nor a debt, indebtedness or obligation of, or a pledge of the faith and credit or taxing power of, the County or the State or any political subdivision thereof, within the meaning of any constitutional or statutory provision whatsoever. Neither the faith and credit nor the taxing power of the State, the County, or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds. The issuance of the Bonds does not directly or indirectly or contingently obligate, morally or otherwise, the County to levy or pledge any form of taxation whatsoever therefor or to make any appropriation for their payment. The Commission has no taxing power. Neither the members of the Governing Body of the Commission nor any person executing the Bonds shall be liable personally on the Bonds by reason of the issuance thereof.



## ARTICLE III

### REDEMPTION OF BONDS BEFORE MATURITY

**Section 3.01. Optional Redemption of Bonds.** The Bonds of any series shall be subject to redemption at the option of the Commission, in whole or in part, on any date on or after the date specified, and at the prices provided, in the related Series Resolution.

**Section 3.02. Mandatory Redemption of Bonds.** The Bonds shall be subject to mandatory redemption prior to maturity on the dates, in the amounts, and at the prices provided in the related Series Resolution.

**Section 3.03. Notice of Redemption.** Unless waived by any owner of Bonds to be redeemed, official notice of any redemption of Bonds shall be given by the Bond Registrar on behalf of the Commission by mailing a copy of an official redemption notice by first-class mail, postage prepaid, at least 20 days and not more than 60 days prior to the date fixed for redemption to the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

All official notices of redemption shall be dated, shall contain the complete official name of the Bond issue, including series designation, and shall state:

- (a) the redemption date;
- (b) the redemption price;
- (c) the interest rate and maturity date of the Bonds being redeemed;
- (d) the date on which notice of redemption will be published;
- (e) if less than all the Outstanding Bonds are to be redeemed, the Bond numbers and, where part of the Bonds evidenced by one Bond are being redeemed, the respective principal amounts of such Bonds to be redeemed;
- (f) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after such date;
- (g) that with respect to optional redemption pursuant to Section 3.01, that such notice shall be conditioned upon the deposit of moneys with the Commission before the date fixed for redemption in an amount sufficient to pay the redemption price and such notice shall be of no effect unless such moneys are so deposited; and
- (h) the place where such Bonds are to be surrendered for payment of the redemption price (which place of payment shall be the principal corporate trust office of the Paying Agent) and the name, address, and telephone number of a person or persons at the Paying Agent who may be contacted with respect to the redemption.

The redemption notice required to be mailed to registered owners of any Bonds (as stated above), all or a portion of which is to be redeemed, shall be mailed to each registered owner of at least \$1,000,000 in aggregate principal amount of a series of Bonds by certified mail, return receipt requested (instead of by first-class mail as otherwise required), to such registered owner's last address, if any, appearing on the Bond Register maintained at the principal office of the Bond Registrar; provided, however, that failure so to mail any such notice by certified mail shall not affect the validity of any proceeding for the redemption of Bonds, that such mailing by certified mail of the redemption notice shall not be a condition precedent to the redemption, that failure to so mail any redemption notice or failure or refusal of receipt of such redemption notice shall not affect the validity of any proceedings for the redemption of Bonds, and that neither the Bond Registrar nor the Commission shall have any responsibility whatsoever if any such notice is mailed as aforesaid but is not received by or receipt thereof is refused by the applicable registered owner.

The Bond Registrar shall mail a second notice of redemption not more than ninety (90) days following the redemption date to the registered owner of each Bond that was not presented for payment upon redemption within sixty (60) days following the redemption date, which notice shall be mailed by registered or certified mail, with a return receipt requested.

Failure to mail any notice specified in this Section shall not affect the validity of any proceeding for the redemption of Bonds, and mailing of or the receipt of such notice shall not be a condition precedent to the redemption. Failure to so mail any such notice or failure or refusal of receipt of such redemption notice shall not affect the validity of any proceedings for the redemption of Bonds, and neither the Bond Registrar nor the Commission shall have any responsibility whatsoever if any such notice is mailed as aforesaid but is not received by or receipt thereof is refused by the applicable registered owner. No defect in any such notice shall in any manner defeat the effectiveness of a call for redemption.

**Section 3.04. Commission or Bond Registrar May Give Notice of Redemption.** Notice of redemption of Bonds to be redeemed shall be given by the Commission or by the Bond Registrar for and on behalf of the Commission whenever either (i) such redemption is required to be made under this Resolution or the applicable Series Resolution or (ii) whenever such redemption is permitted to be made under the terms of such Bonds and the Commission requests that such redemption be made.

**Section 3.05. Effect of Notice of Redemption.** Official notice having been given in the manner and under the conditions provided in Section 3.03, and moneys for payment of the redemption price being held by the Paying Agent as provided in this Resolution, the Bonds or portions of Bonds so called for redemption shall, on the redemption date designated in such notice, become and be due and payable at the redemption price provided for redemption of such Bonds on such date, and interest on the Bonds or portions of Bonds so called for redemption shall cease to accrue, such Bonds or portions of Bonds shall cease to be entitled to any lien, benefit, or security under this Resolution, and the owners of such Bonds or portions of Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof. Upon surrender for partial redemption of any Bond, there shall be prepared for and delivered to the registered owner a new Bond or Bonds of the same series, maturity, and interest rate in the amount of the unpaid principal. The Paying Agent shall hold amounts payable on redemption for Bonds which have not

been surrendered for redemption for a period of not less than one year after the final maturity date of the Bonds or any earlier date when all of the Bonds have been redeemed.

**Section 3.06. Redemption Among Series.** The Commission may redeem the Bonds of any series, or a portion of the Bonds of any such series, before it redeems the Bonds of any other series. Within any particular series, any redemption of Bonds shall be in the manner provided in this Resolution.

**Section 3.07. Selection of Bonds to be Redeemed.** If less than all of the Bonds of like maturity of any series shall be called for redemption, the particular Bonds, or portions of Bonds, to be redeemed shall be selected on a pro rata basis. The portion of any Bond of a denomination of more than \$5,000 to be redeemed shall be in the principal amount of \$5,000 or an integral multiple thereof and, in selecting portions of such Bonds for redemption, the Commission shall treat each such Bond as representing that number of Bonds which is obtained by dividing the principal amount of such Bond to be redeemed in part by \$5,000.

**Section 3.08. Purchase in Open Market.** Nothing herein contained shall be construed to limit the right of the Commission to purchase with any excess moneys in the Sinking Fund (*i.e.*, moneys not needed in the then current Bond Year to pay principal of and interest on any Bonds or credited against other excess Pledged Revenues ) and for Sinking Fund purposes, any Bonds in the open market at a price not exceeding the callable price. Any such Bonds so purchased shall not be reissued and shall be cancelled.

## ARTICLE IV

### PLEGDED REVENUES; FLOW OF FUNDS

**Section 4.01. Pledge of Revenues and Assignment of Funding Agreement.** All Pledged Revenues shall be and are hereby pledged by the Commission to the prompt payment of the principal of, redemption premium, if any, and interest on the Bonds. Such moneys shall immediately be subject to the lien of this pledge for the benefit of the Holders without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding against the Commission and against all other persons having claims against the Commission, whether such claims shall have arisen in tort, contract, or otherwise and irrespective of whether such parties have notice thereof. This pledge shall rank superior to all other pledges, which may hereafter be made of any of the funds and accounts pledged in this Resolution.

In order to secure the Commission's obligations under the Bonds, the Commission hereby collaterally assigns, for the benefit of the Holders, (i) all of the right, title, and interest of the Commission in and to all moneys from time to time held in the Sinking Fund under the terms of this Resolution and (ii) all of the right, title, and interest of the Commission in and to the Funding Agreement (except for its Reserved Rights), and all extensions and renewals of the term thereof, if any, and all amounts encumbered thereby, including, but without limiting the generality of the foregoing, the present and continuing right to make claim for, collect, receive, and make receipt for payments and other sums of money payable, receivable, or to be held thereunder, to bring any actions and proceedings thereunder or for the enforcement thereof, and to do any and all other things which the Commission is or may become entitled to do under the foregoing, provided that

the assignment made by this sentence shall not impair or diminish any obligation of the Commission under the provisions of the Funding Agreement or impair or diminish the right of the Commission to enforce compliance with the obligations of the County under the Funding Agreement. **Notwithstanding anything to the contrary herein, the obligations of the County to pay make payments under the Funding Agreement are subject to annual appropriation by the Governing Body of the County in its sole discretion and shall not be deemed or construed as creating an indebtedness of the County within the meaning of any provision of the County Charter or the laws of the State or County concerning or limiting the creation of indebtedness of the County. The issuance of the Bonds does not directly or indirectly or contingently obligate, morally or otherwise, the County to levy or pledge any form of taxation whatsoever therefor or to make any appropriation for their payment**

The Holders may enforce all rights of the Commission (except for its Reserved Rights) and all obligations of the County under and pursuant to the Funding Agreement, whether or not the Commission is in default hereunder. So long as any of the Bonds remain Outstanding, and for such longer period when required by the Funding Agreement, the Commission shall faithfully and punctually perform and observe all obligations and undertakings on its part to be performed and observed under the Funding Agreement. The Commission covenants to maintain, at all times, the validity and effectiveness of the Funding Agreement and (except as expressly permitted by the Funding Agreement) shall take no action, shall permit no action to be taken by others, and shall not omit to take any action or permit others to omit to take any action, which action or omission might release the County from its liabilities or obligations under the Funding Agreement or result in the surrender, termination, amendment, or modification of, or impair the validity of, the Funding Agreement.

The Commission covenants to diligently enforce all covenants, undertakings, and obligations of the County under the Funding Agreement, and the Commission hereby authorizes and directs the Holders to enforce any and all of the Commission's rights under the Funding Agreement on behalf of the Commission. The Commission shall retain possession of an executed original or counterpart of the Funding Agreement and shall release the same only in accordance with the provisions thereof. The Funding Agreement shall be available for inspection at reasonable times and under reasonable conditions by any Holder.

#### **Section 4.02. Funds; Application of Bond Proceeds.**

(a) The following funds are hereby established, and the moneys deposited in such funds shall be held in trust for the purposes set forth in this Resolution:

(i) Housing Opportunities Commission of Montgomery County – Project Fund, Revolving Housing Production Fund (the “Project Fund”)

(ii) Housing Opportunities Commission of Montgomery County – Sinking Fund, Revolving Housing Production Fund (the “Sinking Fund”);

(iii) Housing Opportunities Commission of Montgomery County - Loan Repayments Fund, Revolving Housing Production Fund (the “Loan Repayments Fund”);

(iv) Housing Opportunities Commission of Montgomery County - Costs of Issuance Fund, Revolving Housing Production Fund (the “Costs of Issuance Fund”); and

(v) Housing Opportunities Commission of Montgomery County – Administrative Costs Fund, Revolving Housing Production Fund (the “Administrative Costs Fund”).

(b) The Funds and Accounts established pursuant to Section 4.02(a) (including any accounts or subaccounts created therein) shall be maintained by the Trustee. The Commission shall have the right to deposit funds into, and withdraw funds from, as applicable, the Project Fund, the Loan Repayments Fund, the Costs of Issuance Fund, the Sinking Fund and the Administrative Cost Fund, subject to the requirements of this Resolution.

(c) The Commission shall apply the proceeds from the sale of each series of Bonds as set forth in the related Series Resolution.

**Section 4.03. Project Fund.** The Project Fund shall be used to provide construction bridge financing for multifamily residential rental housing in accordance with the Program guidelines and as set forth in the Funding Agreement. In addition, moneys in the Project Fund shall be transferred to the Administrative Costs Fund to the extent that moneys in the Administrative Costs Fund are not sufficient to pay Administrative Expenses in a timely manner.

Moneys in the Project Fund not currently needed for the purposes provided herein may be invested in Permitted Investments at the direction of the Commission. Any such investments shall be held by the Trustee, in trust, for the account of the Project Fund until maturity or until sold, and at maturity or upon such sale the proceeds received therefrom including accrued interest and premium, if any, shall be retained in the Project Fund.

The Commission shall cause the Trustee to maintain records of all deposits to, investments of, and withdrawals from the Project Fund, which records shall be retained for at least five years by the Trustee subject at all times to inspection by any official of the Commission, the County and the Holders.

**Section 4.04. Sinking Fund.** The Sinking Fund shall be used as a sinking fund to pay the principal of, premium, if any, and interest on the Bonds. Moneys in the Sinking Fund shall be used solely as a fund for the payment of the principal of, premium, if any, and interest on the Bonds, for the redemption of the Bonds at or prior to maturity, and to purchase Bonds in the open market pursuant to Section 3.08.

All Pledged Revenues shall be deposited in the Sinking Fund from time to time as received by the Commission or the Trustee on behalf of the Commission. Pursuant to the Funding Agreement, the payments by the County as provided therein are to be remitted directly to the Trustee for deposit in the Sinking Fund.

The Sinking Fund shall be in the custody of the Trustee but in the name of the Commission, and the Commission hereby authorizes and directs the Trustee to withdraw sufficient funds from

the Sinking Fund to pay principal of and interest and premium, if any, on the Bonds as the same become due and payable and to make such funds so withdrawn available to the Paying Agent for the purpose of paying such principal, interest, and premium, if any.

**Section 4.05. Loan Repayments Fund.** Principal and interest payments on the loans made through the Program shall be deposited in the Loan Repayments Fund from time to time as received by the Commission. On each \_\_\_\_\_, 1, commencing \_\_\_\_\_ to and including [termination date of funding agreement], the Paying Agent shall transfer amounts on deposit in the Loan Repayments Fund to the County pursuant to wiring instructions provided by the County. After [termination date of funding agreement], the Trustee shall make transfers from the Loan Repayments Fund to or at the direction of the Commission as shall be necessary to carry out the Program.

The Commission will not cause or permit to be paid from the Loan Repayments Fund any sums except in accordance with such provisions and restrictions; provided, however, that moneys in the Loan Repayments Fund may be invested by the Commission in money market mutual funds (including those of the Trustee and its affiliates) registered under the Investment Company Act of 1940, as amended, that have been rated at least “AA” by S&P or “Aa” by Moody’s. Any such investments shall be held by the Trustee, in trust, for the account of the Loan Repayments Fund until maturity or until sold, and at maturity or upon such sale the proceeds received therefrom including accrued interest and premium, if any, shall be immediately deposited by the Trustee in the Loan Repayments Fund and applied in the manner and for the purposes provided herein.

The Commission shall cause the Depository to maintain records of all deposits to, investments of, and withdrawals from the Loan Repayments Fund, which records shall be retained for at least five years by the Depository subject at all times to inspection by any official of the Commission, the County and the Holders.

**Section 4.06. Costs of Issuance Fund.** The Costs of Issuance Fund shall be used to pay costs incurred in connection with the issuance of a series of Bonds. Moneys in the Costs of Issuance Fund shall be applied by the Trustee to pay such costs upon receipt of a written requisition from the Commission and the written consent of the Commission. Any moneys remaining in the Costs of Issuance Fund after the payment of all costs of issuance, and in any event not later than 60 days following the date of issuance of the related series of Bonds, shall be transferred to the Project Fund.

**Section 4.07. Investment of Funds.** Moneys in the Project Fund, the Loan Repayments Fund, the Sinking Fund, the Costs of Issuance Fund and the Administrative Costs Fund shall be invested in Permitted Investments at the direction of the Commission. Moneys in each such Fund shall be accounted for as a separate and special fund apart from all other Commission funds.

Moneys in the Sinking Fund may be invested in Permitted Investments maturing or redeemable at the option of the holder thereof prior to the next succeeding Interest Payment Date, but whenever prior to any Interest Payment Date the aggregate of the moneys in the Sinking Fund exceeds the amount necessary to pay interest and principal falling due on such Interest Payment Date, such excess may be invested in Permitted Investments maturing or redeemable at the option of the holder prior to the next following Interest Payment Date. Investment earnings in each fund

shall remain in such fund and serve as a credit against amounts otherwise required to be paid into such fund.

**Section 4.08. Disposition of Moneys After Payment of Bonds.** Any amounts remaining in any fund established under this Resolution after payment in full of the principal of, redemption premium, if any, and interest on the Bonds (or after provision for payment thereof has been made), the fees, charges, and expenses of the Paying Agent, the Bond Registrar, and all other amounts required to be paid under this Resolution, shall be disbursed by the Trustee to or at the direction of the Commission in accordance with the Funding Agreement.

## ARTICLE V

### THE TRUSTEE

**Section 5.01. The Trustee.** All moneys deposited in the Project Fund, Loan Repayments Fund, Sinking Fund, Administrative Costs Fund and the Costs of Issuance Fund under the provisions hereof shall be deposited with the Trustee. In the event the Trustee and the Paying Agent for all Bonds then Outstanding is the same bank acting in both capacities, then the Trustee shall, without any further direction on the part of or any further authorization from the County or the Commission, use and disburse the moneys in the Sinking Fund as provided in this Resolution.

**Section 5.02. Successor Trustee.** From time to time, the Commission may designate a successor Trustee. Every successor Trustee appointed pursuant to the provisions of this Section shall be an association or a corporation organized and doing business under the laws of the United States of America or of any state, authorized under such laws and the applicable laws of the State to exercise corporate trust powers, having a combined capital and surplus of at least \$100,000,000, and subject to supervision or examination by Federal or state authority. If such association or corporation is not a commercial bank or trust company, it shall also have a rating by Moody's (if the Bonds are then rated by Moody's) of "Baa 3/P-3" or higher, or by S&P (if the Bonds are then rated by S&P) of "BBB/A3" or higher or shall otherwise be approved in writing by Moody's or S&P, as the case may be.

## ARTICLE VI

### PARTICULAR COVENANTS

**Section 6.01. Payment.** Each and every covenant herein made, including all covenants made in the various sections of this Article VI, is predicated upon the condition that any obligation for the payment of money incurred by the Commission shall never constitute an indebtedness or general obligation of the Commission, within the meaning of any constitutional or statutory provision whatsoever, but shall be payable solely from the Pledged Revenues, which revenues and receipts are hereby specifically pledged to the payment thereof in the manner and to the extent in this Resolution specified, and nothing in the Bonds or in this Resolution shall be construed as pledging any other funds or assets of the Commission. The Commission will promptly pay, solely from the Pledged Revenues, the principal of and interest on the Bonds issued hereunder and secured hereby at the place, on the dates, and in the manner herein and in the Bonds specified, and

any premium required for the redemption of the Bonds, according to the true intent and meaning thereof.

**Section 6.02. Liens.** The Commission shall not create or suffer to be created any lien, security interest, or charge upon the Pledged Revenues, other than the pledge and assignment created by this Resolution.

## ARTICLE VII

### EVENTS OF DEFAULT; REMEDIES

**Section 7.01. Events of Default.** Each of the following events is hereby declared an “Event of Default” under this Resolution:

(a) payment of the principal of and redemption premium, if any, on any of the Bonds shall not be made when the same shall become due and payable, either at maturity or by proceedings for redemption;

(b) payment of any installment of interest on any Bond shall not be made when the same becomes due and payable;

(c) the Commission shall, for any reason, be rendered incapable of fulfilling its obligations hereunder;

(d) the Commission shall default in the due and punctual performance of any other of the covenants, conditions, agreements, or provisions contained in the Bonds or this Resolution to be performed, and such default shall continue for thirty (30) days after written notice, specifying such default and requiring the same to be remedied, shall have been given to the Commission by any Holder; or

(e) an event of default shall have occurred and be continuing under the Funding Agreement, subject to any cure provisions provided therein.

**Section 7.02. Remedies.** Upon the happening and continuance of any Event of Default, then and in every such case any Holder may proceed, subject to the provisions of Section 2.11 and Section 7.04 hereof, to protect and enforce the rights of the Holders hereunder by a suit, action, or special proceedings in equity, or at law, for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted, or contained in the Funding Agreement or granted in the Funding Agreement, or for the enforcement of any proper legal or equitable remedy as such Holder shall deem most effectual to protect and enforce the rights aforesaid, insofar as such may be authorized by law.

**Section 7.03. Restoration.** In case any proceeding taken by any Holder on account of any Event of Default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to such Holder, then and in every such case the Commission, the County and the Holders shall be restored to their former positions and rights hereunder and under the Funding Agreement, respectively, and all rights, remedies, and powers of the Holders shall continue as though no such proceedings had been taken. The Commission shall have the right to be reimbursed



from available amounts under this Resolution for fees and expenses of counsel incurred in connection with any such proceeding.

**Section 7.04. Equal Benefit.** No one or more owners of the Bonds secured hereby shall have any right in any manner whatever by its or their action to affect, disturb, or prejudice the security granted and provided for herein, or to enforce any right hereunder, except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had, and maintained for the equal benefit of all owners of such outstanding Bonds.

**Section 7.05. Nonexclusivity of Remedies.** No remedy herein conferred upon the Holders is intended to be exclusive of any other remedy, or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

**Section 7.06. No Waiver.** No delay or omission of any Holder to exercise any right, power, or remedy accruing upon any Event of Default shall impair any such right or power or be construed as an acquiescence in such Event of Default, and every right, power, and remedy given by this Article to the owners of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

## ARTICLE VIII

### SUPPLEMENTAL RESOLUTIONS

**Section 8.01. Supplemental Resolutions Not Requiring Consent of Holders.** The Commission, from time to time and at any time, subject to the conditions and restrictions in this Resolution, may adopt one or more resolutions which thereafter shall form a part of this Resolution, for any one or more or all of the following purposes:

(a) to add to the covenants and agreements of the Commission in this Resolution other covenants and agreements thereafter to be observed or to surrender, restrict, or limit any right or power reserved in this Resolution to or conferred upon the Commission (including but not limited to the right to issue Additional Bonds);

(b) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting, or supplementing any defective provision contained in this Resolution, or in regard to matters or questions arising under this Resolution, as the Commission may deem necessary or desirable and not inconsistent with this Resolution and which shall not have a material adverse effect on the interests of the Holders;

(c) to provide for the issuance of a series of the Initial Bonds or the issuance of Additional Bonds, in accordance with the provisions of this Resolution;

(d) to grant to or confer any additional rights, remedies, powers, or authorities that may be lawfully granted to or conferred upon the owners of the Bonds;

(e) to subject to the lien and pledge of this Resolution additional revenues, receipts, properties, or other collateral;

(f) to evidence the appointment of successors to the Trustee, the Paying Agent, or the Bond Registrar;

(g) to amend, modify or supplement this Resolution or any proceedings supplemental to this Resolution in such manner as to permit the qualification of this Resolution under the Trust Indenture Act of 1939 or any federal statute hereinafter in effect, and similarly to add to this Resolution, or to any proceedings supplemental to this Resolution, such other terms, conditions, and provisions as may be permitted or required by the Trust Indenture Act of 1939 or any similar federal statute; or

(h) to make changes and modifications, and to add such provisions, as shall be necessary to obtain or maintain an investment grade rating for the Bonds.

Any Supplemental Resolution authorized by the provisions of this Section may be adopted by the Commission without the consent of or notice to any of the owners of the Bonds at the time Outstanding, notwithstanding any of the provisions of Section 8.02. A copy of all such Supplemental Resolutions shall be promptly furnished to the Commission and to each Rating Agency then rating the Bonds, and the Paying Agent and the Bond Registrar shall be promptly advised of any modifications of their rights, duties and obligations hereunder.

**Section 8.02. Supplemental Resolutions Requiring Consent of Holders.** Exclusive of Supplemental Resolutions authorized by Section 8.01, with the consent of the Holders (evidenced as provided in Section 12.01) and the consent of the Commission, the Commission may from time to time and at any time adopt a Supplemental Resolution for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Resolution; provided, however, that no such Supplemental Resolution shall (i) extend the maturity date of any Bond or the due date of any mandatory sinking fund redemption with respect to any Bond, (ii) reduce or extend the time of payment of the principal of, redemption premium, if any, or interest on any Bond, (iii) reduce any premium payable upon the redemption of any Bond or advance the date upon which any Bond may first be called for redemption prior to its stated maturity date, (iv) give to any Bond or Bonds a preference over any other Bond or Bonds, (v) reduce the percentage of owners of the Bonds required to approve any such Supplemental Resolution, or (vi) deprive the owners of the Bonds (except as aforesaid) of the right to payment of the Bonds from the Pledged Revenues, in each case without the consent of the owners of all the Bonds then Outstanding.

**Section 8.03. Notice.** After any Supplemental Resolution requiring the consent of the Holders shall have been adopted, the Commission shall cause a notice of the adoption of such Supplemental Resolution to be mailed, postage prepaid, to all registered owners of Bonds appearing on the Bond Register, and a copy of such Supplemental Resolution shall be mailed, postage prepaid, to the designated representatives of the original purchasers of any Bonds and to the County.

**Section 8.04. Required Approval.** No Supplemental Resolution requiring the consent of the Holders shall become effective unless the owners of at least sixty-five percent (65%) of the aggregate principal amount of the Bonds then Outstanding (or one hundred percent (100%) in the case of a Supplemental Resolution described in clauses (i) – (vi) of Section 8.02) shall have filed with the Commission within three months after the date of adoption of such Supplemental

Resolution properly executed instruments approving the adoption of such Supplemental Resolution, each such Holder instrument to be accompanied by proof of ownership of the Bonds to which such instrument refers, which proof shall be such as is permitted by the provisions of Section 12.01.

**Section 8.05. Legal Action.**

(a) Any action or proceeding in any court objecting to such Supplemental Resolution or to any of the terms and provisions therein contained or the operation thereof, or in any manner questioning the propriety of the adoption thereof or the execution by any Holder of any instrument purporting to approve the adoption of such Supplemental Resolution, or to enjoin or restrain the Commission from taking any action pursuant to the provisions thereof, must be commenced within thirty (30) days after the Commission shall have determined that the adoption of such Supplemental Resolution has been duly approved.

(b) Upon the expiration of such thirty (30) day period, or, if any such action or proceedings shall be commenced, upon any judgment or decree sustaining such Supplemental Resolution becoming final, this Resolution shall be, and be deemed to be, modified and amended in accordance with such Supplemental Resolution, and the respective rights, duties, and obligations under this Resolution shall thereafter be determined, exercised, and enforced hereunder, subject, in all respects, to such modifications and amendments.

**Section 8.06. Incorporation.** Any Supplemental Resolution adopted and becoming effective in accordance with the provisions of this Article shall thereafter form a part of this Resolution and all conditions of this Resolution for any and all purposes, and shall be effective as to all owners of Bonds, and no notation or legend of such modifications and amendments shall be required to be made thereon.

**ARTICLE IX**

**AMENDMENT OF FUNDING AGREEMENT**

**Section 9.01. Amendments to Funding Agreement Not Requiring Consent of Holders.** The Commission may, without the consent of or notice to the Holders or the Trustee (but only with notice to the Trustee), subject to the approval of the County amend, modify or supplement the Funding Agreement for any purpose, including, without limitation:

(a) to cure any ambiguity, or cure, correct, or supplement any defective provision contained in the Funding Agreement, or in regard to matters or questions arising under Funding Agreement, as the Commission may deem necessary or desirable and not inconsistent with this Resolution and which shall not have a material adverse effect on the interests of the Holders;

(b) to make such changes and modifications, and to add such provisions, as shall be necessary to obtain or maintain an investment grade rating for the Bonds; or

(c) to conform the Funding Agreement to any changes made to this Resolution by a Supplemental Resolution permitted by Section 8.01.

**Section 9.02. Amendments to Funding Agreement Requiring Consent of Holders.**

Except for the amendments, modifications or supplements provided in Section 9.01, the Commission shall not amend, change, or modify Article III of the Funding Agreement unless the owners of at least sixty-five percent (65%) of the aggregate principal amount of the Bonds then Outstanding shall have filed with the Commission within three months after the date of adoption of resolutions approving such amendment, modification or supplement properly executed instruments approving the execution of such amendment, change, or modification, each such Holder instrument to be accompanied by proof of ownership of Bonds to which such instrument refers, which proof shall be such as is permitted by the provisions of Section 12.01. Provided however that notwithstanding approval by the Holders, no assurance can be given that the County will agree to any particular recommended or requested amendment to the Funding Agreement.

**ARTICLE X**

**RESERVED**

**ARTICLE XI**

**DEFEASANCE**

**Section 11.01. Provision for Payment.** Bonds for the payment or redemption of which sufficient moneys or sufficient Government Obligations shall have been deposited with or for the account of the Paying Agent (whether upon or prior to the maturity or the redemption date of such Bonds) shall be deemed to be paid and no longer Outstanding under this Resolution; provided, however, that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given as provided in Article III or firm and irrevocable arrangements shall have been made for the giving thereof. Government Obligations shall be considered sufficient for purposes of this Article only if (i) such Government Obligations are not callable by the issuer of the Government Obligations prior to their stated maturity, (ii) such Government Obligations fall due and bear interest in such amounts and at such times as will assure sufficient cash (whether or not such Government Obligations are redeemed by the Commission pursuant to any right of redemption) to pay currently maturing interest and to pay principal of and redemption premiums, if any, on the Bonds when due and (iii) the sufficiency of such Government Obligations to defease the Bonds as provided in this Section is confirmed by a certificate of an independent public accountant.

The Commission may at any time surrender to the Bond Registrar for cancellation by it any Bonds previously authenticated and delivered under this Resolution which the Commission may have acquired in any manner whatsoever. All such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

## ARTICLE XII

### MISCELLANEOUS PROVISIONS

**Section 12.01. Consent of Holders.** Any request, direction, or other instrument required by this Resolution to be signed or executed by Holders may be in any number of concurrent writings of similar tenor and may be signed or executed by such Holders in person or by an agent appointed in writing. Proof of the execution of any such request, direction, or other instrument, or of the writing appointing such agent, and of the ownership of Bonds, if made in the following manner, shall be sufficient for any purpose of this Resolution. The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction, who, by the laws thereof, has power to take acknowledgments within such jurisdiction, to the effect that the person signing such writing acknowledged before him the execution thereof, or by an affidavit of a witness to such execution. The fact of the ownership of the Bonds by any Holder, the amount and issue numbers of such Bonds, and the date of ownership shall be proved by the Bond Register.

**Section 12.02. Severability.** In case any one or more of the provisions of this Resolution, or the Bonds issued hereunder, shall for any reason be held illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Resolution or the Bonds, but this Resolution and the Bonds shall be construed and enforced as if such illegal or invalid provisions had not been contained therein.

**Section 12.03. Contract with Holders.** The provisions of this Resolution shall constitute a contract by and between the Commission and the owners of the Bonds, and after the issuance of the Bonds this Resolution shall not be repealed or amended in any respect which will adversely affect the rights and interests of the owners of the Bonds, nor shall the Commission pass any proceedings in any way adversely affecting the rights of such owners, so long as any of the Bonds authorized by this Resolution, or the interest thereon, shall remain unpaid; provided, however, that this covenant shall not be construed as prohibiting modifications hereof or amendments hereto by Supplemental Resolutions to the extent and in the manner as provided in this Resolution.

**Section 12.04. Repealer.** Any and all resolutions or parts of resolutions, if any, in conflict with this Resolution this day adopted be and the same are hereby repealed, and this Resolution shall be in full force and effect from and after its adoption.

**Section 12.05. Payments Due on Saturdays, Sundays, Etc.** Whenever a date upon which a payment is to be made under this Resolution falls on a day that is not a Business Day, such payment may be made on the next succeeding Business Day without interest for the intervening period.

**Section 12.06. Effective Date.** This Resolution has been dated as of July 1, 2021 solely for purposes of convenience and shall be effective as of July \_\_, 2021.

**Section 12.07. Applicable Provisions of Law.** This Resolution shall be governed by and construed and enforced in accordance with the laws of the State.

**Section 12.08. No Individual Responsibility of Officers of Authority.** No stipulations, obligations, or agreements of any official of the Commission shall be deemed to be stipulations, obligations, or agreements of any such official in his or her individual capacity.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Commission has caused this Resolution to be executed in its name by its duly authorized official and with its corporate seal hereunto affixed and attested by its duly authorized officer, as of the date first above written.

HOUSING OPPORTUNITIES COMMISSION OF  
MONTGOMERY COUNTY

By: \_\_\_\_\_  
Chair

(SEAL)

Attest:

\_\_\_\_\_  
Secretary-Treasurer

[Signatures Page — Master Resolution]

**HOUSING OPPORTUNITIES COMMISSION  
OF MONTGOMERY COUNTY, MARYLAND**

**SERIES RESOLUTION**

**Resolution No. 2021-\_\_**

**Dated as of July 1, 2021**

**with respect to**

**\$50,000,000  
Housing Opportunities Commission of Montgomery County, Maryland  
Limited Obligation Bonds  
(Revolving Housing Production Fund)  
Series 2021**

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EXHIBIT A FORM OF BOND

**A SERIES RESOLUTION PROVIDING FOR THE ISSUANCE BY THE HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY OF ITS LIMITED OBLIGATION BONDS (REVOLVING HOUSING PRODUCTION FUND), SERIES 2021 IN THE AGGREGATE PRINCIPAL AMOUNT OF \$50,000,000 FOR THE PURPOSE OF PROVIDING CONSTRUCTION BRIDGE FINANCING TO FINANCE MULTIFAMILY RESIDENTIAL RENTAL HOUSING IN MONTGOMERY COUNTY, MARYLAND; AND FOR RELATED MATTERS.**

WHEREAS, the Housing Opportunities Commission of Montgomery County (the “Commission”) is a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law (the “Housing Authorities Law”) and the Memorandum of Understanding between the Commission and Montgomery County, Maryland, effective as of June 29, 2018 (the “MOU,” and together with the Housing Authorities Law, the “Act”); and

WHEREAS, to meet the goals of Montgomery County, Maryland (the “County”) for increased housing and increased availability of affordable housing, the County has determined that new creative and dynamic tools are needed including new tools for financing the production of new mixed-income housing developments with housing units affordable to household earning less than 50% of area median income;

WHEREAS, the County and the Commission have determined that it is in the public interest to implement a Revolving Housing Production Fund (the “Program”) and to finance such Program through the issuance by the Commission of its Limited Obligation Bonds (as more fully described herein, the “Bonds”); and

WHEREAS, the Commission is authorized to issue, sell and deliver its limited obligations to be known as “Housing Opportunities Commission of Montgomery County Limited Obligation Bonds (Revolving Housing Production Fund)” in one or more series in an aggregate principal amount of not to exceed \$50,000,000 (the “Initial Bonds”) pursuant to and in accordance with the terms of a Master Resolution dated as of July 1, 2021 for the purpose of obtaining moneys to finance the Program (the “Master Resolution”); and

WHEREAS, pursuant to the Master Resolution, to provide initial funding for the Program, the Commission intends to issue its \$50,000,000 Limited Obligation Bonds (Revolving Housing Production Fund), Series 2021 (the “Series 2021 Bonds”); and

WHEREAS, the County and the Commission have entered into a Funding Agreement dated as of July 1, 2021 (the “Funding Agreement”), pursuant to which (i) the Commission agrees to establish and maintain the Program in accordance with the terms, conditions and guidelines set forth in the Funding Agreement, and (ii) the County has agreed to provide amounts sufficient to repay principal of and interest on the Bonds (defined herein), subject to annual appropriation as provided herein and in the Funding Agreement; and

WHEREAS, to secure its payment obligations under the Bonds, the Commission will pledge and grant to the Holders (as defined herein) a first priority security interest in the payments under the Funding Agreement (the “Pledged Revenues”) and a first priority security interest in the

contract rights of the Commission contained in the Funding Agreement (other than its Reserved Rights as defined in the Master Resolution ); and

WHEREAS, all things necessary to make the Initial Bonds, when authenticated by the Trustee and issued and delivered as provided in this Series Resolution, the legal, valid, binding, and enforceable limited obligations of the Commission according to the import thereof, and to create a valid pledge of the payments to be made under the Funding Agreement to the payment of the principal of, redemption premium, if any, and interest on the Initial Bonds and a valid collateral assignment of certain of the rights, title, and interest of the Commission in and to the Funding Agreement have been done and performed, and the adoption of this Resolution and the execution, issuance, and delivery of the Initial Bonds, subject to the terms hereof, have in all respects been authorized;

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, and it is hereby resolved by authority of the same, as follows:

## ARTICLE I

### DEFINITIONS

**Section 1.01. Definitions.** Capitalized terms used in this Series Resolution and not defined herein shall have the meanings set forth in the Master Resolution.

**Section 1.02. Construction of Certain Terms.** For all purposes of this Series Resolution, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction shall apply:

(a) The use of the masculine, feminine, or neuter gender is for convenience only and shall be deemed and construed to include correlative words of the masculine, feminine, or neuter gender, as appropriate.

(b) “This Series Resolution” means this instrument as originally adopted or as it may from time to time be supplemented or amended by one or more resolutions supplemental hereto adopted pursuant to the applicable provisions hereof.

(c) All references in this instrument to designated “Articles,” “Sections,” and other subdivisions are to the designated Articles, Sections, and other subdivisions of this instrument. The words “herein,” “hereof,” and “hereunder” and other words of similar import refer to this Series Resolution as a whole and not to any particular Article, Section, or other subdivision.

(d) The terms defined in this Article shall have the meanings assigned to them in this Article and include the plural as well as the singular.

**Section 1.03. Table of Contents; Titles and Headings.** The table of contents, the titles of the articles, and the headings of the sections of this Series Resolution are solely for convenience

of reference, are not a part of this Series Resolution, and shall not be deemed to affect the meaning, construction, or effect of any of its provisions.

## ARTICLE II

### AUTHORIZATION, FORM, AND REGISTRATION OF SERIES 2021 BONDS

**Section 2.01. Authorization; Designation of Series 2021 Bonds; Form of Bonds.** There is hereby authorized to be executed and delivered a series of the Bonds designated “Housing Opportunities Commission of Montgomery County Limited Obligation Bonds (Revolving Housing Production Fund), Series 2021,” in the original aggregate principal amount of \$50,000,000. The Bonds shall be in substantially the form attached as Exhibit A to this Series Resolution, but such variations, omissions, substitutions, and insertions may be made therein, and such particular series designation, legends, or text may be endorsed thereon as may be necessary or appropriate to conform to and as required or permitted by this Series Resolution or as may be necessary or appropriate to comply with applicable requirements of law. The Bonds may bear such legends or contain such further provisions as may be necessary to comply with or conform to the rules and requirements of any brokerage board, securities exchange, or municipal securities rulemaking board.

**Section 2.02. Terms of Series 2021 Bonds.** The Series 2021 Bonds shall be issued in fully registered form in the denomination of \$5,000 each or integral multiples thereof. The Series 2021 Bonds shall be numbered from R-1 upward, and principal of, redemption premium, if any, and interest on the Series 2021 Bonds shall be payable as provided in this Series Resolution.

The Series 2021 Bonds shall be dated as of the date of issuance thereof. Interest on the Series 2021 Bonds shall be computed on the basis of a 360-day year consisting of twelve 30-day months, payable semiannually on each Interest Payment Date, commencing \_\_\_\_\_.

The Series 2021 Bonds shall mature on \_\_\_\_\_ 1 in each of the years and in the principal amounts, and shall bear interest at the rates, set forth below:

Year of Maturity	Principal Amount	Interest Rate
	\$	%

The Series 2021 Bonds that mature on \_\_\_\_\_, \_\_\_\_\_ are Term Bonds, and shall be subject to redemption prior to maturity as set forth in Section 3.02.

## ARTICLE III

### REDEMPTION OF SERIES 2021 BONDS BEFORE MATURITY

**Section 3.01. Optional Redemption of Series 2021 Bonds.** The Series 2021 Bonds maturing on or after \_\_\_\_\_ shall be subject to redemption at the option of the Commission, in whole or in part, on any date on or after \_\_\_\_\_, at a redemption price equal to the principal

amount of the Series 2021 Bonds being redeemed, plus the interest due thereon on the redemption date.

**Section 3.02. Mandatory Redemption of Series 2021 Bonds.** The Series 2021 Bonds maturing on \_\_\_\_\_ are subject to mandatory redemption prior to maturity on \_\_\_\_\_ of the years and in the amounts set forth below at a redemption price equal to the principal amount thereof plus the interest due thereon to the mandatory redemption date.

As and for a sinking fund for the retirement prior to maturity of the Series 2021 Bonds, there shall be deposited in the Sinking Fund an amount sufficient to redeem the following principal amounts of the Series 2021 Bonds maturing on \_\_\_\_\_, \_\_\_\_\_ on the dates (each such date being referred to as a “mandatory redemption date”) specified:

Series 2021 Bonds Maturing \_\_\_\_\_  
\_\_\_\_\_ **1**  
**of the Year**                      **Principal Amount**

\_\_\_\_\_  
\* Final Maturity

#### ARTICLE IV

#### **SALE OF SERIES 2021 BONDS; AUTHENTICATION AND DELIVERY OF SERIES 2017A BONDS; APPLICATION OF PROCEEDS**

**Section 4.01. Sale of Series 2021 Bonds.** The Series 2021 Bonds shall be sold to PNC Capital Markets, LLC, Wells Fargo Bank, National Association, Morgan Stanley Co., LLC, Jefferies LLC and RBC Capital Markets, LLC, as underwriters (collectively, the “Underwriters”), pursuant to the [Bond Purchase Agreement] dated \_\_\_\_\_, 2021 (the “Purchase Agreement”), among the Commission and the Underwriters.

**Section 4.02. Conditions for Authentication and Delivery of Series 2021 Bonds.** Prior to authorizing the authentication and delivery by the Trustee of the Series 2021 Bonds, there shall be filed or deposited with the Commission: (i) an original executed counterpart of the Purchase Agreement, (ii) original executed counterparts of the Funding Agreement, (iii) an opinion of the Commission’s bond counsel approving the Series 2021 Bonds, (iv) an opinion of the County’s counsel confirming that the Funding Agreement has been duly authorized and executed by the County and constitute valid, binding and enforceable obligations of the County subject to annual appropriation; (v) evidence that the Rating Agency has issued a rating of not less than “\_\_\_\_\_” on the Series 2021 Bonds, and (vi) receipt of the purchase price of the Series 2021 Bonds.

**Section 4.03. Application of Series 2021 Bond Proceeds.** Upon the written request of the Commission, the Trustee shall authenticate and deliver the Series 2021 Bonds to or at the direction of the Underwriters and shall receive a receipt for the Series 2021 Bonds. The Commission shall apply the proceeds from the sale of the Series 2021 Bonds (\$\_\_\_\_\_), consisting of the par amount of the Series 2021 Bonds (\$\_\_\_\_\_), less an underwriters' discount in the amount of \$\_\_\_\_\_, together with other available funds under the Master Resolution in the amount of \$\_\_\_\_\_, as follows:

- (a) \$\_\_\_\_\_ shall be deposited into the Costs of Issuance Fund;
- (b) \$\_\_\_\_\_ shall be deposited into the Administrative Costs Fund; and
- (c) \$\_\_\_\_\_ shall be deposited into the Project Fund.

## ARTICLE V

### MISCELLANEOUS PROVISIONS

**Section 5.01. Severability.** In case any one or more of the provisions of this Series Resolution, or the Series 2021 Bonds issued hereunder, shall for any reason be held illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Series Resolution or the Series 2021 Bonds, but this Series Resolution and the Series 2021 Bonds shall be construed and enforced as if such illegal or invalid provisions had not been contained therein.

**Section 5.02. Master Resolution.** This Series Resolution and all terms and provisions herein contained shall form a part of the Master Resolution, as fully and with the same effect as if all such terms and provisions had been set forth therein, and the Master Resolution remains in full force and effect in accordance with the term and provisions thereof, as supplemented by this Series Resolution.

**Section 5.03. Effective Date.** This Series Resolution has been dated as of July 1, 2021 solely for purposes of convenience. This Series Resolution shall become effective immediately upon its execution and receipt by the Commission of the documentation set forth in Section 4.02.

**Section 5.04. Applicable Provisions of Law.** This Series Resolution shall be governed by and construed and enforced in accordance with the laws of the State of Maryland.

**Section 5.05. Filing with Trustee.** A certified copy of this Series Resolution shall be filed with the Trustee.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Commission has caused this Series Resolution to be executed in its name by its duly authorized official and with its corporate seal hereunto affixed and attested by its duly authorized officer, as of the date first above written.

HOUSING OPPORTUNITIES COMMISSION OF  
MONTGOMERY COUNTY

By: \_\_\_\_\_  
Chair

(SEAL)

Attest:

\_\_\_\_\_  
Secretary-Treasurer

[Signature Page — Series Resolution]

FORM OF BOND

THIS BOND AND THE ISSUE OF WHICH IT FORMS A PART AND THE INTEREST THEREON ARE LIMITED OBLIGATIONS OF THE COMMISSION AND ARE PAYABLE SOLELY OUT OF THE REVENUES AND OTHER ASSETS OF THE COMMISSION PLEDGED THEREFOR PURSUANT TO THE MASTER RESOLUTION. THE COMMISSION HAS NO TAXING POWER. THE BONDS DO NOT CONSTITUTE A DEBT OF MONTGOMERY COUNTY, THE STATE OF MARYLAND OR ANY POLITICAL SUBDIVISION THEREOF AND NEITHER MONTGOMERY COUNTY, THE STATE OF MARYLAND NOR ANY POLITICAL SUBDIVISION THEREOF SHALL BE LIABLE THEREON, THE ISSUANCE OF THIS BOND DOES NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE, MORALLY OR OTHERWISE, THE COUNTY TO LEVY OR PLEDGE ANY FORM OF TAXATION WHATSOEVER THEREFOR OR TO MAKE ANY APPROPRIATION FOR ITS PAYMENT NOR IN ANY EVENT SHALL THE BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OF THE COMMISSION OTHER THAN THOSE PLEDGED THEREFOR. THE BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. NEITHER THE COMMISSIONERS OF THE COMMISSION NOR ANY PERSONS EXECUTING THE BONDS SHALL BE LIABLE PERSONALLY ON THE BONDS BY REASON OF THE ISSUANCE THEREOF.

UNITED STATES OF AMERICA  
HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY  
LIMITED OBLIGATION BONDS  
(REVOLVING HOUSING PRODUCTION FUND),  
SERIES 2021

Number R- \_\_\_\_\_

**Dated:** \_\_\_\_\_, 2021      **Interest Rate:** \_\_\_\_\_%      **Maturity Date:** \_\_\_\_\_ 1,  
\_\_\_\_\_

Registered Owner: \_\_\_\_\_

Principal Amount: \$ \_\_\_\_\_



**FOR VALUE RECEIVED**, the Housing Opportunities Commission of Montgomery County, a public body corporate and an instrumentality of the State of Maryland (the “Commission”), hereby promises to pay (but only out of the sources provided) to the Registered Owner specified above, or registered assigns, on the Maturity Date specified above, unless this Bond shall have been called for redemption prior to maturity and payment of the redemption price shall have been duly made or provided for, the Principal Amount specified above and to pay (but only out of the sources provided) interest on the balance of such Principal Amount from time to time remaining unpaid from and including the date hereof or from and including the most recent Interest Payment Date (as hereinafter defined) with respect to which interest has been paid or duly provided for, until payment of such principal sum has been made, at the Interest Rate per annum specified above (computed on the basis of a 360-day year consisting of twelve 30-day months) on \_\_\_\_\_ 1 and \_\_\_\_\_ 1 of each year (each an “Interest Payment Date”) commencing \_\_\_\_\_ 1, \_\_\_\_\_, until the payment of the Principal Amount of this Bond in full, and promises to pay interest on overdue principal and, to the extent permitted by law, on overdue premium, if any, and interest, at such rate.

Principal of and redemption premium, if any, and interest on this Bond are payable when due in lawful money of the United States of America. Unless other arrangements are made pursuant to the Master Resolution (as hereinafter defined), payment of interest on this Bond shall be made by check or draft upon \_\_\_\_\_, \_\_\_\_\_, as registrar and paying agent (the “Bond Registrar” or the “Paying Agent”), mailed on the applicable Interest Payment Date to the Registered Owner hereof as of the close of business on the 15th day of the calendar month (the “Record Date”) immediately preceding such Interest Payment Date at the address of such Registered Owner as it appears on the registration books (the “Bond Register”) of the Commission maintained by the Bond Registrar.

This Bond is one of a series of \$ \_\_\_\_\_ in original aggregate principal amount of revenue bonds designated “Housing Opportunities Commission of Montgomery County Limited Obligation Bonds (Revolving Housing Production Fund), Series 2021” (the “Series 2021 Bonds”), issued by the Commission pursuant to and in full compliance with the provisions of the Constitution and laws of the State of Maryland, including specifically, but without limitation, the Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law (the “Housing Authorities Law”) and the Memorandum of Understanding between the Commission and Montgomery County, Maryland, effective as of June 29, 2018 (the “MOU,” and together with the Housing Authorities Law, the “Act”), and pursuant to a Master Resolution dated as of July 1, 2021 (the “Master Resolution”) and a Series Resolution dated as of July 1, 2021 (the “Series Resolution”), each duly executed by the Commission. The Series 2021 Bonds are the first series of parity bonds issued pursuant to the Master Resolution for the Commission has authorized the issuance of its Limited Obligation Bonds (Revolving Housing Production Fund) in an aggregate principal amount of not to exceed \$50,000,000 (the “Bonds”). The Master Resolution, as supplemented by the Series Resolution, and as may be further amended or supplemented, is referred to herein as the “Resolution.”

The Series 2021 Bonds have been issued for the purpose of financing construction bridge financing for multifamily residential rental housing in Montgomery County, Maryland (the “County”). The County and the Commission have entered into a Funding Agreement dated as of

July 1, 2021 (the “Funding Agreement”), pursuant to which (i) the Commission has agreed to establish and maintain the Program in accordance with the terms, conditions and guidelines set forth in the Funding Agreement, and (ii) the County has agreed to provide amounts sufficient to repay principal of and interest on such bonds, notes, certificates or other evidences of indebtedness issued by the Commission, subject to annual appropriation as provided herein and in the Funding Agreement.

Under the terms of the Funding Agreement, the County and Commission have agreed that the payments to be made by the County under the Funding Agreement will be paid by the County directly to the Trustee designated in the Resolution for the account of the Commission and deposited into the special fund created in the Resolution and designated “Housing Opportunities Commission of Montgomery County – Sinking Fund, Revolving Housing Production Fund.”

The Bonds are all issued under and are equally and ratably secured and entitled to the protection of the Master Resolution. Pursuant to the Resolution, as security for the payment of the principal of, redemption premium, if any, and interest on the Bonds, the Commission has pledged the Contract Payments received by the Commission pursuant to the Funding Agreement and deposited with the Trustee, and has collaterally assigned its rights, title, and interest in and to the Funding Agreement (except for certain reserved rights) and the Sinking Fund established under the Master Resolution for the benefit of the owners of the Bonds (collectively, the “Pledged Revenues”), to the payment of the principal of, redemption premium, if any, and interest on the Bonds. The Resolution provides that the Commission may hereafter issue Additional Bonds (as defined in the Resolution) from time to time under certain terms and conditions contained therein, and if issued, such Additional Bonds will rank on a parity with the Bonds.

The Bonds are subject to redemption prior to their stated maturity as set forth in the Supplemental Resolution.

Reference is made to the Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Bonds, the rights, duties and obligations of the Commission, the Trustee and the Holders and the terms and conditions upon which the Bonds are issued and secured. Each Holder assents, by its acceptance hereof, to all of the provisions of the Resolution.

This Bond is transferable by the registered owner at the principal corporate trust office of the Bond Registrar but only in the manner, subject to the limitations, and upon payment of the charges provided in the Resolution and upon surrender of this Bond. Upon such transfer a new registered Bond or Bonds of the same series, maturity, interest rate, aggregate principal amount, and tenor, of any authorized denomination or denominations, and bearing numbers not then contemporaneously outstanding will be issued to the transferee in exchange therefor.

The Series 2021 Bonds are issuable as fully registered Bonds in denominations of \$5,000 or any integral multiple thereof.

To the extent and in the manner permitted by the Resolution, modifications, alterations, amendments, additions, and rescissions of the provisions of the Resolution, or of any resolution supplemental thereto or of the Bonds, may be made by the Commission with the consent of the

owners of at least sixty-five per centum (65%) of the principal amount of the obligations then outstanding under the Resolution, and without the necessity for notation hereon or reference thereto.

For a more particular statement of the covenants and provisions securing this Bond, the conditions under which the owner of this Bond may enforce the various covenants (other than the covenant to pay principal of and interest on this Bond when due from the sources provided, the right to enforce which is unconditional), the conditions upon which Additional Bonds may be issued on a parity with this Bond under the Resolution, and the conditions upon which the Resolution may be amended with the consent of the owners of the Bonds outstanding under the Resolution, reference is made to the Resolution. In case of default the owner of this Bond shall be entitled to the remedies provided by the Resolution and the Act.

It is hereby certified, recited, and declared that all acts, conditions, and things required to exist, happen, and be performed precedent to and in the issuance of this Bond do exist, have happened, and have been performed in due time, form, and manner as required by law.

[The remainder of this page has been intentionally left blank.]

IN WITNESS WHEREOF, the Housing Opportunities Commission of Montgomery County has caused this Bond to be executed in its name by the manual or facsimile signature of its Chairman or Vice Chairman, and its corporate seal to be impressed or printed hereon and attested by the manual or facsimile signature of its Secretary-Treasurer.

HOUSING OPPORTUNITIES COMMISSION OF  
MONTGOMERY COUNTY

By: \_\_\_\_\_  
Chair

(SEAL)

Attest:

By: \_\_\_\_\_  
Secretary-Treasurer

[Form of Certificate of Authentication]

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the issue described in the within mentioned Resolution.

\_\_\_\_\_,  
as Bond Registrar

By: \_\_\_\_\_  
Authorized Signatory

Date of Registration  
and Authentication:

\_\_\_\_\_, 2021

\* \* \* \* \*

(Form of Assignment and Transfer)

ASSIGNMENT AND TRANSFER

FOR VALUE RECEIVED, \_\_\_\_\_ the undersigned, hereby sells, assigns and transfers unto \_\_\_\_\_ (Tax Identification or Social Security No. \_\_\_\_\_) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guarantee:

\_\_\_\_\_  
(Authorized Officer)  
Signature must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

\_\_\_\_\_  
NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY**  
(a public body corporate and politic created  
and existing under the laws of the State of Maryland)

and

**MONTGOMERY COUNTY, MARYLAND**  
(a public body corporate and politic created and existing  
under the laws of the State of Maryland)

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**FUNDING AGREEMENT**

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Dated as of July 1, 2021

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and is only for convenience of reference.)

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## **FUNDING AGREEMENT**

This **FUNDING AGREEMENT**, dated as of July 1, 2021 (this “Contract”), by and between the Housing Opportunities Commission of Montgomery County (the “Commission”), a public body corporate and politic created and existing under the laws of the State of Maryland, and Montgomery County, Maryland (the “County”), a public body corporate and politic created and existing under the laws of the State of Maryland;

### **W I T N E S S E T H:**

**WHEREAS**, the Commission and the County are authorized under the Constitution and laws of the State of Maryland to enter into this Contract for the purposes set forth herein;

**WHEREAS**, to meet the County’s goals for increased housing and increased availability of affordable housing, the County has determined that new creative and dynamic tools are needed including new tools for financing the production of new mixed-income housing developments with housing units affordable to household earning less than 50% of area median income;

**WHEREAS**, the Commission is authorized under the Act (as defined herein) to issue its notes and bonds from time to time to fulfill its corporate purposes, which include the construction, financing and operation of housing projects for persons of eligible income;

**WHEREAS**, to further the County’s housing goals, the County has determined, pursuant to the County Resolution (as defined herein), to establish a revolving housing production trust fund to be used for construction bridge financing for residential rental projects which will be funded with the proceeds of notes, bonds, certificates or other evidences of indebtedness of the Commission;

**WHEREAS**, the County has agreed to provide amounts sufficient to repay principal of and interest on such bonds, notes, certificates or other evidences of indebtedness issued in an aggregate principal amount not to exceed \$50,000,000 by the Commission, subject to annual appropriation as provided herein;

**NOW, THEREFORE**, for and in consideration of the promises and covenants hereinafter contained, the parties hereby agree as follows:

## ARTICLE I

### DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

**Section 1.1. Definitions.** Certain words and terms used in this Contract are defined herein. When used herein, such words and terms shall have the meanings given to them by the language employed in this Article I defining such words and terms, unless the context clearly indicates otherwise. In addition to the words and terms defined elsewhere herein, the following words and terms are defined terms under this Contract.

**“Act”** means Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, and Article VI of Chapter 56 of the Montgomery County Code, as amended, known as the Housing Opportunity Act, as the same may be from time to time additionally supplemented and amended.

**“Additional Bonds”** means additional parity bonds or other evidences of indebtedness issued under the Trust Agreement to provide additional funds to finance the Projects, as permitted under the Trust Agreement.

**“Authorized Commission Representative”** means the person at the time designated to act on behalf of the Commission by written certificate furnished to the County and the Trustee, containing the specimen signature of such person and signed on behalf of the Commission by the Chairman or Vice Chairman of its Governing Body. Such certificate or any subsequent or supplemental certificate so executed may designate an alternate or alternates.

**“Authorized County Representative”** means the person at the time designated to act on behalf of the County by written certificate furnished to the Commission and the Trustee, containing the specimen signature of such person and signed on behalf of the County by the Chairman or Vice Chairman of its Governing Body. Such certificate or any subsequent or supplemental certificate so executed may designate an alternate or alternates.

**“Bond Counsel”** means Kutak Rock LLP or any other firm of nationally recognized bond counsel experienced in matters relating to the tax-exempt nature of interest on municipal bonds, appointed by the County or the Commission.

**“Bond Registrar”** means the commercial bank appointed by the Commission to maintain, in accordance with the provisions of the Master Resolution, the registration books of the Commission for any series of Bonds. \_\_\_\_\_, Maryland, is the initial Bond Registrar for the Bonds.

**“Bond Resolution”** means the Bond Resolution adopted by the Governing Body of the Commission on May 5, 2021 authorizing the issuance and sale of the Bonds and the security therefor.

**“Bondholders”** means the Persons in whose names any of the Bonds are registered on the registration books of the Commission.

**“Bonds”** means the Housing Opportunities Commission of Montgomery County Limited Obligation Bonds (Revolving Housing Production Fund).

**“Commission”** means the Housing Opportunities Commission of Montgomery County, a public corporate and politic created and existing under the laws of the State, and its successors and assigns.

**“Contract”** means this Funding Agreement between the Commission and the County, as the same may be amended from time to time in accordance with the provisions hereof.

**“Contract Payments”** means periodic payments made by the County pursuant to this Contract in amounts sufficient to pay the scheduled debt service on the Bonds until the County shall pay the principal of, premium, if any, and interest on the Bonds, in full.

**“County”** means the Montgomery County, Maryland, a public body corporate and politic created and existing under the laws of the State, and its successors and assigns.

**“County Council”** means the Montgomery County Council.

**“County Resolution”** means Resolution No. \_\_\_\_\_, adopted by the County Council on January 12, 2021.

**“Disclosure Certificate”** means the Continuing Disclosure Certificate, dated the date of issuance of the Bonds, of the County, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

**“Event of Default”** means any event specified in Section 8.1 of this Contract.

**“Fiscal Year”** means any period of twelve consecutive months adopted by the County as its fiscal year for financial reporting purposes and shall initially mean the period beginning on July 1 of each calendar year and ending on June 30 of the succeeding calendar year.

**“Fitch”** means Fitch Ratings or, if such corporation is dissolved or liquidated or otherwise ceases to perform securities rating services, such other nationally recognized securities rating agency as may be designated in writing by the County. The notice address of Fitch shall be One State Street Plaza, New York, New York 10004.

**“Governing Body”** means, in the case of the Commission, the Board of Commissioners of the Commission and, in the case of the County, the County Council.

**“Master Resolution”** means the Master Resolution dated of July 1, 2021 adopted by the Commission and related to the Commission’s Housing Production Fund.

**“Moody’s”** means Moody’s Investors Service, Inc. or, if such corporation is dissolved or liquidated or otherwise ceases to perform securities rating services, such other nationally recognized securities rating agency as may be designated in writing by the County. The notice address of Moody’s shall be 7 World Trade Center, 250 Greenwich Street, New York, New York 10007.

**“Paying Agent”** means the commercial bank or banks appointed by the Commission to serve as paying agent in accordance with the terms of the Master Resolution for the Bonds, and their successors and assigns. \_\_\_\_\_, \_\_\_\_\_, Maryland, is the initial Paying Agent for the Bonds.

**“Permitted Investments”** means obligations in which the Commission is permitted to invest moneys of the Commission pursuant to applicable law that have (or are collateralized by obligations that have) a Rating by any Rating Agency which is equal to or greater than the third highest long term Rating of such Rating Agency, or that bears (or are collateralized by obligations that bear) the second highest short-term Rating of such Rating Agency.

**“Person”** means natural persons, firms, joint ventures, associations, trusts, partnerships, corporations, and public bodies.

**“Project Fund”** means the Project Fund created pursuant to Section 4.03 of the Master Resolution and referred to herein.

**“Project Loan”** means a loan financed with the proceeds of the Bonds for the acquisition, construction, rehabilitation and/or equipping of a Project.

**“Projects”** means the residential rental projects described on Exhibit A attached hereto, which, by this reference thereto, is incorporated herein, and which may be amended by the Commission from time to time to substitute or add additional residential rental projects upon delivery of written notice to the County.

**“Rating”** means a rating in one of the categories by a Rating Agency, disregarding pluses, minuses, and numerical gradations.

**“Rating Agencies”** or **“Rating Agency”** means Fitch, Moody’s and Standard & Poor’s or any successors thereto and any other nationally recognized credit rating agency then maintaining a rating on any Bonds at the request of the County. If at any time a particular Rating Agency does not have a rating outstanding with respect to the relevant Bonds, then a reference to Rating Agency or Rating Agencies shall not include such Rating Agency.

**“Series Resolution”** has the meaning assigned in the Master Resolution.

**“Sinking Fund”** means the Sinking Fund created in Section 4.02(a) of the Master Resolution and referred to herein.

**“Standard and Poor’s”** or **“S&P”** means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., or, if such corporation is dissolved or liquidated or otherwise ceases to perform securities rating services, such other nationally recognized securities rating agency as may be designated in writing by the County. The notice address of Standard & Poor’s shall be 55 Water Street, New York, New York 10041.

**“State”** means the State of Maryland.

**“Trust Agreement”** means, collectively, the Master Resolution and each Series Resolution.

**“Trust Estate”** means all amounts pledged by the Commission to the Bondholders pursuant to Section 4.01 of the Master Resolution.

**“Trustee”** means initially \_\_\_\_\_, \_\_\_\_\_, Maryland, and its successors and assigns, or any successor trustee hereafter appointed by the Commission at the direction of the County; provided, however, the Trustee shall at all times be a commercial bank.

**“Unassigned Rights”** means all of the rights of the Commission to receive reimbursements and payments pursuant to Sections 6.1 and 8.4 hereof, to give consents and approvals pursuant to Section 4.1 hereof.

**Section 1.2. Construction of Certain Terms.** For all purposes of this Contract, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction shall apply:

(1) The use of the masculine, feminine, or neuter gender is for convenience only and shall be deemed and construed to include correlative words of the masculine, feminine, or neuter gender, as appropriate.

(2) "This Contract" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more agreements of sale supplemental hereto entered into pursuant to the applicable provisions hereof.

(3) All references in this instrument to designated "Articles," "Sections," and other subdivisions are to the designated Articles, Sections, and other subdivisions of this instrument. The words "herein," "hereof," and "hereunder" and other words of similar import refer to this Contract as a whole and not to any particular Article, Section, or other subdivision.

(4) The terms defined in this Article shall have the meaning assigned to them in this Article and include the plural as well as the singular.

(5) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles as promulgated by the American Institute of Certified Public Accountants, on and as of the date of this instrument.

**Section 1.3. Table of Contents; Titles and Headings.** The table of contents, the titles of the articles, and the headings of the sections of this Contract are solely for convenience of reference, are not a part of this Contract, and shall not be deemed to affect the meaning, construction, or effect of any of its provisions.

**Section 1.4. Contents of Certificates or Opinions.** Every certificate or opinion with respect to the compliance with a condition or covenant provided for in this Contract shall include: (i) a statement that the person or persons making or giving such certificate or opinion have read such covenant or condition and the definitions herein relating thereto, (ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based, (iii) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as they deemed appropriate to enable them to express an informed opinion as to whether or not such covenant or condition has been complied with, and (iv) a statement as to whether, in the opinion of the signers, such condition or covenant has been complied with.

Any such certificate or opinion made or given by an official of the Commission or the County may be based, insofar as it relates to legal or accounting matters, upon a certificate or an opinion of counsel or an accountant, which certificate or opinion has been given only after due inquiry of the relevant facts and circumstances, unless such official knows that the certificate or opinion with respect to the matters upon which his certificate or opinion may be based as aforesaid is erroneous or in the exercise of reasonable care should have known that the same was erroneous. Any such certificate or opinion made or given by counsel or an accountant may be based (insofar as it relates to factual matters with respect to information that is in the possession of an official of the Commission or the County or any third party) upon the certificate or opinion of or representations by an official of the Commission or the County or any third party on whom counsel or an accountant could reasonably rely unless such counsel or such accountant knows that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion may be based as aforesaid are erroneous or in the exercise of reasonable care should have known that the same were erroneous. The same official of the Commission or the County, or the same counsel or accountant, as the case may be, need not certify or opine to all of the matters required to be certified or

opined under any provision of this Contract, but different officials, counsel, or accountants may certify or opine to different matters, respectively.

[End of Article I]

## ARTICLE II

### REPRESENTATIONS AND UNDERTAKINGS

**Section 2.1. Representations by the Commission.** The Commission makes the following representations and warranties as the basis for the undertakings on its part herein contained:

(a) Creation and Authority. The Commission is a public body corporate and politic duly created and validly existing under the laws of the State, including the provisions of the Act. The Commission has all requisite power and authority under the Act and the laws of the State (1) to issue the Bonds to finance the costs of acquiring, constructing, rehabilitating and/or equipping the Projects and (2) to enter into, perform its obligations under, and exercise its rights under this Contract, the Bond Resolution and the Trust Agreement. The Act authorizes the Commission to issue bonds to finance the undertaking of any “project” under the Act.

(b) Pending Litigation. There are no actions, suits, proceedings, inquiries, or investigations pending or, to the knowledge of the Commission, after making due inquiry with respect thereto, threatened against or affecting the Commission in any court or by or before any governmental authority or arbitration board or tribunal, which would materially and adversely affect the transactions contemplated by this Contract or which, in any way, would adversely affect the validity or enforceability of the Bonds, the Trust Agreement, this Contract, or any agreement or instrument to which the Commission is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or thereby, nor is the Commission aware of any facts or circumstances presently existing that would form the basis for any such actions, suits, or proceedings.

(c) Agreements Are Legal and Authorized. The execution and delivery by the Commission of this Contract, the Bonds, and the Trust Agreement and the compliance by the Commission with all of the provisions of each thereof (i) are within the purposes, powers, and authority of the Commission, (ii) have been done in full compliance with the provisions of the Act and are legal, (iii) will not conflict with or constitute on the part of the Commission a violation of or a breach of or a default under any organic document, indenture, mortgage, security deed, pledge, note, lease, loan, or installment sale agreement, contract, or other agreement or instrument to which the Commission is a party or by which the Commission or its properties are otherwise subject or bound, or any license, judgment, decree, law, statute, order, writ, injunction, demand, rule, or regulation of any court or governmental agency or body having jurisdiction over the Commission or any of its activities or properties, and (iv) have been duly authorized by all necessary action on the part of the Commission.

(d) Governmental Consents. Neither the nature of the Commission nor any of its activities or properties, nor any relationship between the Commission and any other Person, nor any circumstance in connection with the offer, issue, sale, or delivery of the Bonds is such as to require the consent, approval, permission, order, license, or authorization of, or the filing, registration, or qualification with, any governmental authority on the part of the Commission in connection with the execution, delivery, and performance of this Contract and the Trust Agreement or the consummation of any transaction therein contemplated, or the offer, issue, sale, or delivery of the Bonds, except as shall have been obtained or made and as are in full force and effect.

(e) No Defaults. To the knowledge of the Commission, after making due inquiry with respect thereto, no event has occurred and no condition exists that would constitute an event of default under the Trust Agreement or this Contract or that, with the lapse of time or with the giving of notice or both, would become such an event of default. To the knowledge of the Commission, after making due inquiry with



respect thereto, the Commission is not in default or violation in any material respect under the Act or under any document or other agreement or instrument to which it is a party or by which it may be bound.

(f) No Prior Pledge. Neither this Contract nor any of the payments or amounts to be received by the Commission hereunder have been or will be assigned, pledged, or hypothecated in any manner or for any purpose or have been or will be the subject of a grant of a security interest by the Commission other than as provided in the Master Resolution.

(g) Disclosure. The representations of the Commission contained in this Contract do not contain any untrue statement of a material fact relating to the Commission and do not omit to state a material fact relating to the Commission necessary in order to make the statements contained herein relating to the Commission not misleading. Nothing has come to the attention of the Commission that would materially and adversely affect or in the future may (so far as the Commission can now reasonably foresee) materially and adversely affect the acquisition, construction, rehabilitation and/or equipping of the Projects by the Commission or any other transactions contemplated by this Contract and the Trust Agreement that has not been set forth in the Official Statement relating to the Bonds.

(h) Compliance with Conditions Precedent to the Issuance of the Bonds. All acts, conditions, and things required to exist, happen, and be performed precedent to and in the execution and delivery by the Commission of the Bonds do exist, have happened, and have been performed in due time, form, and manner as required by law; the issuance of the Bonds, together with all other obligations of the Commission, do not exceed or violate any constitutional or statutory limitation, and the revenues, funds, property, and amounts pledged to the payment of the principal of, premium, if any, and interest on the Bonds, as the same become due, have been calculated to be sufficient in amount for that purpose.

**Section 2.2. Representations by the County.** The County makes the following representations and warranties as the basis for the undertakings on its part herein contained:

(a) Creation and Authority. The County is a public body corporate and politic duly created and validly existing under the laws of the State. The County has all requisite power and authority under the laws of the State to enter into, perform its obligations under, and exercise its rights under this Contract.

(b) Pending Litigation. There are no actions, suits, proceedings, inquiries, or investigations pending or, to the knowledge of the County, after making due inquiry with respect thereto, threatened against or affecting the County in any court or by or before any governmental authority or arbitration board or tribunal, which would materially and adversely affect the ability of the County to perform its obligations under this Contract, or the transactions contemplated by this Contract or which, in any way, would adversely affect the validity or enforceability of this Contract or any agreement or instrument to which the County is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or thereby, nor is the County aware of any facts or circumstances presently existing that would form the basis for any such actions, suits, or proceedings. The County is not in default with respect to any judgment, order, writ, injunction, decree, demand, rule, or regulation of any court, governmental authority, or arbitration board or tribunal that would materially and adversely affect the ability of the County to perform its obligations under this Contract.

(c) Agreement Is Legal and Authorized. The execution and delivery by the County of this Contract, the consummation of the transactions herein contemplated that are the responsibility of the County, and the fulfillment of or the compliance with all of such provisions hereof (i) are within the power, legal right, and authority of the County, (ii) are legal and will not conflict with or constitute on the part of the County a violation of or a breach of or a default under, any organic document, indenture, mortgage, security deed, pledge, note, lease, loan, or installment sale agreement, contract, or other agreement or

instrument to which the County is a party or by which the County or its properties are otherwise subject or bound, or any license, law, statute, rule, regulation, judgment, order, writ, injunction, decree, or demand of any court or governmental agency or body having jurisdiction over the County or any of its activities or properties, and (iii) have been duly authorized by all necessary and appropriate official action on the part of the Governing Body of the County. This Contract is the valid, legal, binding, and enforceable obligation of the County. The officials of the County executing this Contract are duly and properly in office and are fully authorized and empowered to execute the same for and on behalf of the County.

(d) Governmental Consents. Neither the County nor any of its activities or properties, nor any relationship between the County and any other Person, nor any circumstances in connection with the execution, delivery, and performance by the County of its obligations under this Contract, is such as to require the consent, approval, permission, order, license, or authorization of, or the filing, registration, or qualification with, any governmental authority on the part of the County in connection with the execution, delivery, and performance of this Contract or the consummation of any transaction herein contemplated except as shall have been obtained or made and as are in full force and effect and except as are not presently obtainable and except the annual appropriation of the County Council of funds to perform the payment obligations hereunder. To the knowledge of the County, after making due inquiry with respect thereto, the County will be able to obtain all such additional consents, approvals, permissions, orders, licenses, or authorizations of governmental authorities as may be required on or prior to the date the County is legally required to obtain the same to execute this Contract.

(e) No Defaults. No event has occurred and no condition exists that would constitute an Event of Default or that, with the lapse of time or with the giving of notice or both, would become an Event of Default. To the knowledge of the County, after making due inquiry with respect thereto, the County is not in default or violation in any material respect under any organic document or other agreement or instrument to which it is a party that would materially and adversely affect the ability of the County to perform its obligations under this Contract.

(f) Compliance with Law. To the knowledge of the County, after making due inquiry with respect thereto, the County is not in material violation of any laws, ordinances, or governmental rules or regulations to which it or its properties are subject and has not failed to obtain any licenses, permits, franchises, or other governmental authorizations (which are presently obtainable) necessary to the ownership of its properties or to the conduct of its affairs, which violation or failure to obtain might materially and adversely affect the properties, activities, prospects, profits, and condition (financial or otherwise) of the County, and there have been no citations, notices, or orders of noncompliance issued to the County under any such law, ordinance, rule, or regulation that would materially and adversely affect the ability of the County to perform its obligations under this Contract.

(g) Restrictions on the County. The County is not a party to or bound by any contract, instrument, or agreement, or subject to any other restriction, that materially and adversely affects its activities, properties, assets, operations, or condition (financial or otherwise) relating to the County's obligations under this Contract. The County is not a party to any contract or agreement that restricts the right or ability of the County to enter into intergovernmental contracts.

(h) Disclosure. The representations of the County contained in this Contract do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein or therein not misleading. There is no fact that the County has not disclosed to the Commission in writing that materially and adversely affects or in the future may (so far as the County can now reasonably foresee) materially and adversely affect the properties, activities, prospects, operations, profits, or condition (financial or otherwise) of the County, or the ability of the County to perform its

obligations under this Contract or any of the documents or transactions contemplated hereby or thereby or any other transactions contemplated by this Contract that are the obligation of the County

(i) Financial Statements. The County will provide its Comprehensive Annual Financial Report (“CAFR”) dated December 31, 2021 and will provide a CAFR within 275 days after the end of each fiscal year while the Bonds are outstanding by posting on EMMA.

**Section 2.3. Reliance by Bondholders.** The Commission and the County acknowledge and agree that these representations and warranties are made to induce the Bondholders to purchase the Bonds, and that such representations and warranties and any other representations and warranties made by the Commission and the County in this Contract are made for the benefit of the Bondholders and may be relied upon by the Bondholders.

[End of Article II]

## ARTICLE III

### SECURITY; TITLE

**Section 3.1. Security for Payments under this Contract.** Contract Payments under this Contract shall constitute currently appropriated expenditures of the County and shall be paid solely from any moneys in the housing production fund subaccount of The Montgomery County Housing Initiative (MHI) Fund and solely in accordance with the County Resolution. All obligations of the County under this Contract shall be subject to the action of the County Council in annually making moneys available for payments hereunder. The obligations of the County to pay Contract Payments and all other payment obligations under this Contract are subject to annual appropriation by the County Council in its sole discretion and shall not be deemed or construed as creating an indebtedness of the County within the meaning of any provision of the County Charter or the laws of the State or County concerning or limiting the creation of indebtedness of the County. The County agrees, to the extent permitted by law and subject to applicable public policy that it will not terminate this Contract for non-appropriation of funds in any fiscal year for which sufficient funds for the payment of Contract Payments due in that fiscal year are appropriated for such Contract Payments. The County Executive of the County (the "County Executive") covenants, to use reasonable efforts to obtain the authorization and appropriation of such funds, including, without limitation, the inclusion of such funds in the budget of the County to be submitted to the County Council and a request for adequate funds to meet the County's obligations under this Contract in full in its next Fiscal Year budget.

The Commission represents that the Bonds evidence the right of the Bondholders to receive payments solely from the Trust Estate established under the Master Resolution. The County and the Commission hereby agree that no provision of this Contract or any other document or instrument shall be construed or interpreted (i) to directly or indirectly obligate the County to make any payment in any Fiscal Year in excess of amounts appropriated by the County for the Contract Payments for such Fiscal Year; (ii) as a delegation of governmental powers by the County; or (iii) as a loan or pledge of the credit or faith of the County or as creating any responsibility by the County for any debt or liability of any person, company or corporation.

**Section 3.2. Security for the Bonds.** As security for the payment of the Bonds, the Commission has entered into the Trust Agreement. The County hereby assents to the assignment and pledge made in the Trust Agreement of the Contract Payments and hereby agrees that its obligations to make all payments under this Contract shall be absolute and shall not be subject to any defense, except payment, or to any right of setoff, counterclaim, or recoupment arising out of any breach by the Commission of any obligation to the County, whether hereunder or otherwise, or arising out of any indebtedness or liability at any time owing to the County by the Commission. The County further agrees that all payments required to be made under this Contract, except for those arising out of Unassigned Rights, shall be paid directly to the Trustee for the account of the Commission for deposit in the Sinking Fund. The Bondholders have no interest in or lien on any money in the funds or accounts of the County and the security interest of the Bondholders, if any, will be solely on the Trust Estate established under the Master Resolution. The Bondholders shall have all rights and remedies herein accorded to the Commission (except for Unassigned Rights), and any reference herein to the Commission shall be deemed, with the necessary changes in detail, to include the Bondholders, and the Bondholders are deemed to be and are third party beneficiaries of the representations, covenants, and agreements of the County herein contained, subject to Section 3.4 hereof.

**Section 3.3. Contract Payments to be Unconditional.** The obligation of the County to make payment of the Contract Payments required under this Funding Agreement and to perform and observe the other covenants and agreements contained herein is absolute and unconditional in all events except as provided in Section 3.4 hereof and otherwise as expressly provided herein. Notwithstanding any dispute between the County and the Commission or any other person, the County agrees to pay all Contract

Payments when due and not to withhold any part of any Contract Payments pending final resolution of the dispute. The County agrees that it will not assert any right of set-off, cross-claim, recoupment, or counterclaim against its obligation to make the payments required under this Funding Agreement.

**Section 3.4. Obligation of the County.** ALL AMOUNTS PAYABLE BY THE COUNTY UNDER THIS CONTRACT, INCLUDING BUT NOT LIMITED TO THE CONTRACT PAYMENTS AND ANY PAYMENTS RESULTING FOR AN EVENT OF DEFAULT, ARE SUBJECT IN EACH YEAR TO APPROPRIATION BY THE COUNTY COUNCIL. THE COUNTY COUNCIL IS UNDER NO OBLIGATION TO MAKE ANY APPROPRIATIONS WITH RESPECT TO THE CONTRACT PAYMENTS. THE AMOUNTS PAYABLE BY THE COUNTY UNDER THE FUNDING AGREEMENT ARE NOT GENERAL OBLIGATIONS OF THE COUNTY AND SHALL NEVER CONSTITUTE AN INDEBTEDNESS OF THE COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE COUNTY. THE COUNTY HAS NOT PLEDGED ITS FULL FAITH AND CREDIT OR ITS TAXING POWERS TO THE PAYMENT OF AMOUNTS DUE UNDER THIS CONTRACT. **THE ISSUANCE OF THE BONDS DOES NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE, MORALLY OR OTHERWISE, THE COUNTY TO LEVY OR PLEDGE ANY FORM OF TAXATION WHATSOEVER THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT.**

THE FUNDS FROM WHICH AMOUNTS ARE APPROPRIATED TO PAY CONTRACT PAYMENTS ARE LIMITED TO MONEY APPROPRIATED BY THE COUNTY AND DEPOSITED IN THE HIF OR SUCH OTHER SOURCE OF COUNTY REVENUES THAT THE COUNTY MAY DECIDE IN ITS SOLE DISCRETION TO APPROPRIATE, PROVIDED THE COUNTY WILL NOT BE OBLIGATED TO USE ANY OTHER SOURCE. THE COUNTY EXPECTS THAT ALL CONTRACT PAYMENTS WILL BE APPROPRIATED AND PAID BY THE COUNTY FROM AMOUNTS HELD IN CERTAIN FUNDS OR ACCOUNTS ESTABLISHED AND MAINTAINED BY THE COUNTY.

**Section 3.5. Non-Appropriation.** In the event that sufficient funds are not appropriated for the payment of the Contract Payments, the County may terminate this Contract at the end of the last Fiscal Year or earlier date for which an appropriation is available and the County will not be obligated to make payment of the Contract Payments beyond the last date for which an appropriation is available. The County agrees to deliver written notice to the Commission of such termination no later than seven days after the County has knowledge that an appropriation will not be available. The failure to give the notice will not extend this Contract beyond such Fiscal Year or affect the termination of this Contract. Upon termination of this Contract for non-appropriation, the County will pay (i) the outstanding principal of and interest on the Bonds (ii) amounts payable under this Contract after the application to the payment thereof of amounts on deposit in the funds and accounts created by the Trust Agreement (iii) to the Commission all proceeds of the Bonds not theretofore expended by the County as stated in (i) and (ii) above. Upon the payment of such proceeds to the Commission, all obligations of the County under this Contract requiring the expenditure of money will cease (other than the obligation to pay any Contract Payments and other amounts payable under this Contract previously appropriated).

[End of Article III]

## ARTICLE IV

### THE PROJECTS; ISSUANCE OF THE BONDS; PROJECT FUND; ADDITIONAL BONDS

#### **Section 4.1. Agreement to Acquire, Construct and Install the Projects.**

(a) The Commission shall acquire, construct, rehabilitate and/or equip, or cause to be acquired, constructed, rehabilitated and/or equipped, the Projects. The Commission shall use its best efforts to cause the construction, rehabilitation and/or equipping to be completed as soon as may be practical, delays incident to strikes, riots, acts of God or the public enemy beyond the reasonable control of the Commission excepted; but if for any reason such acquisition, construction, rehabilitation and/or equipping is not completed by any specified date there shall be no resulting liability on the part of the County.

(b) All payments from the Project Fund shall be made upon the terms and conditions set forth in the Trust Agreement.

(c) Projects funded with amounts on deposit in the Project Fund must have at least 20% of total dwelling units priced to be affordable to households earning 50% or less of the area median income, adjusted for household size and an additional 10% of all units affordable to households with incomes eligible for a Moderately Priced Dwelling Unit (as governed by Executive Regulation 11-18AM of the County).

**Section 4.2. Agreement to Issue the Bonds; Application of Proceeds.** In order to provide funds to pay the costs of acquiring, constructing, rehabilitating and/or equipping the Projects, the Commission agrees that it will sell and cause to be delivered the Bonds, in one or more series, in an aggregate principal amount not to exceed \$50,000,000 pursuant to the Bond Resolution and the Trust Agreement. The Commission hereby covenants and agrees that it will apply the proceeds derived from the sale of the Bonds as provided in the Trust Agreement and will use the moneys deposited in the Project Fund created under the Trust Agreement to pay the costs of acquiring, constructing, rehabilitating and/or equipping the Projects and to pay the costs of issuing the Bonds.

#### **Section 4.3. Reserved.**

**Section 4.4. Authorized County and Commission Representatives and Successors.** The County and the Commission, respectively, shall designate, in the manner prescribed in Section 1.1 hereof, the Authorized County Representative and the Authorized Commission Representative. In the event that any person so designated and his alternate or alternates, if any, should become unavailable or unable to take any action or make any certificate provided for or required in this Contract, a successor shall be appointed in the same manner.

**Section 4.5. Investment of Funds and Accounts.** Any moneys held as a part of the Sinking Fund, the Project Fund, or any other special trust account shall be invested or reinvested by the Trustee, as the case may be, at the written direction of the Authorized Commission Representative in such Permitted Investments. The County has no responsibility for the investment of any such moneys nor shall it provide of any deficiency that may occur due to such investments.

**Section 4.6. Issuance of Additional Bonds.** So long as this Funding Agreement is in effect and no Event of Default shall have occurred and be continuing hereunder or under the Trust Agreement, one or more series of additional bonds which may cause the original principal amount of obligations outstanding under the Trust Agreement to exceed \$50,000,000 (the "Additional Bonds") may be issued for the purpose of providing additional funds necessary to fund the Project Fund. Additional Bonds may be issued on parity

with or subordinate to the Bonds. Each series of Additional Bonds shall be issued in such principal amount, mature on such dates, bear interest at such rates and have such provisions for redemption and other terms and conditions not inconsistent with the Trust Agreement as shall be specified in a supplemental trust agreement authorizing such Additional Bonds. Prior to the issuance of a series of Additional Bonds the Commission may request the County to enter into an amendment to this Funding Agreement which shall provide among other things that, with the consent of the County, the Contract Payments will be increased and computed so as to amortize in full the principal of and interest on such Additional Bonds and any other costs incurred in connection therewith. The decision to enter into such amendment to this Funding Agreement or to enter into a new Funding Agreement shall be at the sole discretion of the County and the County makes no commitment at this time related to the appropriation of funds to pay debt service on any Additional Bonds.

[End of Article IV]

## ARTICLE V

### OWNERSHIP OF PROJECTS; PAYMENT PROVISIONS; NATURE OF OBLIGATIONS OF COUNTY

**Section 5.1. Term of Contract.** This Contract shall become effective upon its delivery and shall be in full force and effect until midnight, \_\_\_\_\_, 2041, subject to the provisions of this Contract permitting earlier termination (including particularly Article VII hereof), or if all the Bonds have not been paid or retired (or provision for such payment has not been made as provided in the Trust Agreement), until such date as such payment or provision shall have been made; *provided, however*, that the covenants and obligations expressed herein to so survive shall survive the termination of this Contract.

**Section 5.2. Commission Ownership of Projects.** The Commission agrees that so long as a Project Loan is outstanding and has not been repaid, title to the related Project shall be vested in and shall be owned or controlled by the Commission or an affiliate of the Commission, subject to permitted liens and encumbrances required or allowed under the documents and agreements relating to the Projects.

The County agrees that upon the repayment of a Project Loan, the Commission shall have the right to sell, convey, or otherwise dispose of its interest in the related Project.

**Section 5.3. County's Payment Obligations.** (a) Until the principal of, premium, if any, and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Trust Agreement, the County shall pay to the Trustee for the account of the Commission as payment for the services rendered hereunder, the following amounts: (i) on or before each \_\_\_\_\_ 1 or \_\_\_\_\_ 1, as the case may be, beginning on \_\_\_\_\_ 1, [2021], a sum equal to the amount payable on such date as interest on the Bonds, as provided in the Trust Agreement, and

(ii) on or before each \_\_\_\_\_ 1, a sum equal to the principal of the Bonds due on such date, whether by maturity or by mandatory redemption, as provided in the Trust Agreement.

Each payment under this Section due on the day preceding an interest or principal payment date or redemption date until the Bonds are fully paid or payment is provided therefor in accordance with the Trust Agreement shall in all events be sufficient, after giving credit for funds held in the Sinking Fund available for such purpose, to pay the total amount of interest, principal, redemption requirement, and premium, if any, payable on the Bonds on the next succeeding principal or interest payment date or on the next succeeding redemption date for Bonds. Any such payment shall be reduced and need not be made to the extent that there are moneys on deposit in the Sinking Fund in excess of the amount required for the payment of Bonds theretofore matured or called for redemption, the amount required for the payment of interest for which checks or drafts have been mailed by or on behalf of the Commission, and past due interest in all cases where Bonds have not been presented for payment. Further, if the amount held by the Trustee in the Sinking Fund should be sufficient to pay at the times required the principal of, premium, if any, and interest on the Bonds then remaining unpaid, the County shall not be obligated to make any further payments under the provisions of this Section. There shall also be a credit against remaining payments for Bonds purchased, redeemed, or cancelled, as provided in Article II of the Trust Agreement. Any payment not received by the Trustee when due shall continue as an obligation of the County until paid.

(b) In the event the County shall fail to make any of the payments required in this Section 5.3, the item or installment so in default shall continue as an obligation of the County until the amount in default shall have been fully paid, subject to Section 3.4 hereof.



**Section 5.4. Place of Payments.** The payments provided for in Section 5.3(a) hereof shall be paid in lawful money of the United States of America directly to the Trustee for the account of the Commission and shall be deposited in the Sinking Fund.

**Section 5.5. Nature of Obligations of County Hereunder.** (a) The obligations of the County to make the payments required in Section 5.3 hereof and other sections hereof and to perform and observe any and all of the other covenants and agreements on its part contained herein shall be a limited obligation of the County as further described in Section 3.4 hereof. The County agrees that it shall not (i) suspend, abate, reduce, abrogate, diminish, postpone, modify, or discontinue any payments provided for in Section 5.3 hereof, (ii) fail to observe any of its other agreements contained in this Contract, or (iii) except as provided in Article VII hereof, terminate its obligations under this Contract for any contingency, act of God, event, or cause whatsoever, including, without limiting the generality of the foregoing, failure of the Commission to acquire, construct and install the Projects as contemplated in this Contract or otherwise, any change or delay in the time of availability of the Projects, any acts or circumstances that may impair or preclude the use or possession of the Projects, any defect in the title, design, operation, merchantability, fitness, or condition of the Projects or in the suitability of the Projects for the County's purposes or needs, failure of consideration, any declaration or finding that any of the Bonds are unenforceable or invalid, the invalidity of any provision of this Contract, any acts or circumstances that may constitute an eviction or constructive eviction, destruction of or damage to the Projects, the taking by eminent domain of title to or the use of all or any part of the Projects, failure of the Commission's title to the Projects or any part thereof, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either thereof or in the rules or regulations of any governmental authority, or any failure of the Commission to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with this Contract.

Nothing contained in this Section 5.5 shall be construed to release the Commission from the performance of any of the agreements on its part herein contained. In the event the Commission should fail to perform any such agreement on its part, the County may institute such action against the Commission as the County may deem necessary to compel performance so long as such action does not abrogate the County's obligations hereunder. The Commission hereby agrees that it shall not take or omit to take any action that would cause this Contract to be terminated. The County may, however, at its own cost and expense and in its own name or in the name of the Commission, prosecute or defend any action or proceeding or take any other action involving third persons that the County deems reasonably necessary in order to secure or protect its right of possession, occupancy, and use hereunder, and in such event the Commission hereby agrees to cooperate fully with the County and to take all action necessary to effect the substitution of the County for the Commission in any such action or proceeding if the County shall so request.

[End of Article V]

## **ARTICLE VI**

### **CONTINUING DISCLOSURE**

The County and the Commission hereby covenant and agree that each will comply with and carry out all of the applicable provisions of the Disclosure Certificate. Notwithstanding any other provision of this Contract, failure of the County and the Commission to comply with the Disclosure Certificate shall not be considered an Event of Default; however, any beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the County and the Commission to comply with their respective obligations under this Article VI.

[End of Article VI]

## ARTICLE VII

### ASSIGNMENT; REDEMPTIONS

**Section 7.1. No Assignment by County or Commission.** This Contract may not be sold, assigned, delegated, or encumbered by the County or the Commission except to the Trustee.

**Section 7.2. Redemption of Bonds.** The Commission, if there are funds available therefor, shall forthwith take all steps that may be desirable or necessary under the applicable redemption or purchase provisions of the Trust Agreement to effect redemption or purchase of all or part of the then outstanding Bonds on the earliest date on which such redemption or purchase may be made under such applicable provisions. The Commission shall have no right to take steps to redeem or purchase the Bonds if such redemption would result in an extension of the original maturity date of such Bonds.

[End of Article VII]

## ARTICLE VIII

### EVENTS OF DEFAULT AND REMEDIES

**Section 8.1. Events of Default Defined.** The following shall be “Events of Default” under this Contract, and the terms “Event of Default” or “Default” shall mean, whenever they are used in this Contract, any one or more of the following events:

(a) The County’s failure to pay the amounts required to be paid under Section 5.3 of this Contract at the times specified therein, except as provided in Section 3.4 hereof.

(b) The County’s breach in any material respect of any representation or warranty contained in this Contract or the County’s failure in any material respect to observe, perform, or comply with any covenant, condition, or agreement in this Contract on the part of the County to be observed or performed, other than as referred to in subsection (a) of this Section 8.1 and in Article VI hereof, for a period of thirty (30) days after written notice specifying such breach or failure and requesting that it be remedied, given to the County by the Commission or the Bondholders, unless the Bondholders shall agree in writing to an extension of such time prior to its expiration. In the case of any such breach or default that cannot with due diligence be cured within such thirty (30) day period but can be wholly cured within a period of time not materially detrimental to the rights of the Commission and the Bondholders, to be determined conclusively by the Bondholders, it shall not constitute an Event of Default if corrective action is instituted by the County within the applicable period and diligently pursued until the breach or default is corrected in accordance with and subject to any directions or limitations of time established in writing by the Bondholders.

(c) The County shall (i) apply for or consent to the appointment of or the taking of possession by a receiver, custodian, trustee, or liquidator of it or of all or a substantial part of its property, (ii) enter into an agreement of composition with its creditors, (iii) admit in writing its inability to pay its debts as such debts become due, (iv) make a general assignment for the benefit of its creditors, (v) commence a voluntary case under the federal bankruptcy law (as now or hereafter in effect), (vi) file a petition or answer seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding up, or composition or adjustment of debts, (vii) fail to controvert in a timely or appropriate manner or acquiesce in writing to any petition filed against it in an involuntary case under such federal bankruptcy law, or (viii) take any action for the purpose of effecting any of the foregoing.

(d) A proceeding or case shall be commenced, without the application of the County, in any court of competent jurisdiction, seeking (i) the liquidation, reorganization, dissolution, winding up, or composition or adjustment of debts of the County, (ii) the appointment of a trustee, receiver, custodian, liquidator, or the like of the County or of all or any substantial part of the assets of it, or (iii) similar relief in respect of the County under any law relating to bankruptcy, insolvency, reorganization, winding up, or composition and adjustment of debts, and such proceeding or case shall continue undismissed or an order, judgment, or decree approving or ordering any of the foregoing shall be entered and shall continue unvacated and unstayed and in effect for a period of sixty (60) days, whether consecutive or not.

(e) Subject to Section 8.5 hereof, default in the performance or breach by the Commission of Sections 4.1(c), 4.2, 5.2, 7.1 or 7.2 of this Contract and the continuance of such default or breach for a period of 30 days after there has been given written notice to the Commission specifying such default or breach and requiring it to be remedied and stating that such notice is a “Notice of Default” under this Section 8.1(e); provided that, so long as the Commission has commenced to cure such failure to observe or perform within the thirty (30) day cure period and the Commission is diligently pursuing such cure to the County’s satisfaction, the Commission shall have an additional period of time as reasonably necessary within which to cure such default.

**Section 8.2. Remedies on Default.**

(a) Whenever any Event of Default referred to in Section 8.1(a), (b), (c) and (d) hereof shall have happened and be continuing, the Commission, in its discretion, may exercise any one or more of the following remedies: (i) the Commission may have access to and inspect, examine, and make copies of the books and records and any and all accounts and similar data of the County; and (ii) the Commission may from time to time take whatever action at law or in equity or under the terms of this Contract may appear necessary or desirable to collect the amounts payable by the County hereunder then due or thereafter to become due, or to enforce performance and observance of any obligation, agreement, or covenant of the County under this Contract.

(b) Whenever any Event of Default referred to in Section 8.1(e) hereof shall have happened and be continuing, the County, in its discretion, shall have the option but not obligation to take legal actions to seek any available remedies in law or equity.

(c) No action taken pursuant to this Section 8.2 shall relieve the County from its obligations pursuant to Section 5.3 hereof, all of which shall survive any such action, and the Commission may take whatever action at law or in equity as may appear necessary and desirable to collect the amounts then due and thereafter to become due or to enforce the performance and observance of any obligation, agreement, or covenant of the County hereunder.

**Section 8.3. No Remedy Exclusive.** No remedy herein conferred upon or reserved to the Commission is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Contract or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Commission to exercise any remedy reserved to it in this Article VIII, it shall not be necessary to give any notice, other than such notice as may be herein expressly required. Such rights and remedies as are given the Commission hereunder shall also extend to the Bondholders, and the Bondholders shall be deemed third party beneficiaries of all covenants and agreements herein contained.

**Section 8.4. Agreement to Pay Fees and Expenses.** In the event the County should default under any of the provisions of this Contract and the Commission or the Bondholders should employ attorneys, accountants, or other experts or incur other expenses for the collection of amounts due hereunder or the enforcement of performance or observance of any obligation or agreement on the part of the County herein contained, the County agrees that it shall on demand therefor pay to the Commission or to the Bondholders for the account of the Commission the reasonable fees of such attorneys, accountants, or other experts and such other expenses so incurred by the Commission or the Bondholders. Any attorneys' fees required to be paid by the County under this Contract shall include attorneys' and paralegals' fees through all proceedings, including, but not limited to, negotiations, administrative hearings, trials, and appeals. Notwithstanding the foregoing, this provision does not create a full faith and credit obligation of the County, or a waiver of any statutory limitations on the County's possible liability. Furthermore, the County does not waive any of its defenses or right to bring counter claims and cross claims.

**Section 8.5. Waiver of Events of Default.** The Commission and the County may waive any Event of Default hereunder and its consequences except consequences resulting from the remedies exercised by Trustee under the Trust Agreement on behalf of the Bondholders. In case of any such waiver, or in case any proceeding taken by the Commission, the County or the Bondholders on account of any such Event of Default shall be discontinued or abandoned or determined adversely to the Commission, the County or the

Bondholders, then and in every such case the Commission and the County shall be restored to their former position and rights hereunder, but no such waiver or rescission shall extend to or affect any subsequent or other Event of Default or impair or exhaust any right, power, or remedy consequent thereon.

[End of Article VIII]



**Section 9.8. Immunity of Officials, Officers, and Employees of Commission and County.** No recourse shall be had for the enforcement of any obligation, covenant, promise, or agreement of the Commission or the County contained in this Contract or for any claim based hereon or otherwise in respect hereof against any member of a Governing Body, officer, or employee, as such, in his individual capacity, past, present, or future, of the Commission, the County, or any successor body, whether by virtue of any constitutional provision, statute, or rule of law, or by the enforcement of any assessment or penalty or otherwise, it being expressly agreed and understood that this Contract is solely a corporate obligation of the County and the Commission payable only from the funds and assets of the County and the Commission herein specifically provided to be subject to such obligation and that no personal liability whatsoever shall attach to, or be incurred by, any member of a Governing Body, officer, or employee, as such, past, present, or future, of the County or the Commission, or of any successor corporation, either directly or through the County, the Commission, or any successor corporation, under or by reason of any of the obligations, covenants, promises, or agreements entered into between the Commission and the County whether contained in this Contract or in the Trust Agreement or to be implied herefrom or therefrom as being supplemental hereto or thereto, and that all personal liability of that character against every such member of a Governing Body, officer, and employee is, by the execution of this Contract and as a condition of and as part of the consideration for the execution of this Contract, expressly waived and released. The immunity of members of a Governing Body, officers, and employees of the Commission and the County under the provisions contained in this Section 9.8 shall survive the completion of the Projects and the termination of this Contract.

[End of Article IX]



**SIGNATURES AND SEALS**

**IN WITNESS WHEREOF**, the Commission has executed this Contract by causing its name to be hereunto subscribed by its Chairman and by causing the official seal of the Commission to be impressed hereon and attested by its Secretary; and the County has executed this Contract by causing its name to be hereunto subscribed by its Chairman and by causing the official seal of the County to be impressed hereon and attested by its County Clerk; all being done as of the day and year first above written.

**HOUSING OPPORTUNITIES COMMISSION  
OF MONTGOMERY COUNTY**

(SEAL)

By: \_\_\_\_\_  
Chair

Attest:

\_\_\_\_\_  
Secretary-Treasurer

[SIGNATURES CONTINUING ON FOLLOWING PAGE]

[COUNTERPART SIGNATURE PAGE TO FUNDING AGREEMENT]

**MONTGOMERY COUNTY, MARYLAND**

By: \_\_\_\_\_  
President

(SEAL)

Attest:

\_\_\_\_\_  
County Clerk

**EXHIBIT A**  
**DESCRIPTION OF PROJECTS**

[Attached]



# **SANDY SPRING MISSING MIDDLE: APPROVAL OF THIRD PHASE OF PREDEVELOPMENT FUNDING AND CONCEPT PLAN APPLICATION PREPARATION FOR SUBMITTAL TO PLANNING COMMISSION**

---

## **SANDY SPRING**



Updated May 4, 2021

Stacy L. Spann, Executive Director

Kayrine Brown  
Zachary Marks  
Jay Shepherd

May 5, 2021

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# Executive Summary

- In 2020, the Commission approved \$585,000 in predevelopment funding including legal costs related to further the joint venture between Maryland-National Capital Park and Planning Commission (“M-NCPPC”) and HOC on the Pilot Missing Middle Initiative at Sandy Spring Meadow (Resolution 20-25AS), (Sandy Spring “Missing Middle Pilot Project”, or “M2P2”). Missing Middle Housing is a range of multi-unit or clustered housing types—compatible in scale with neighborhoods with detached single family homes.
- Sandy Spring Missing Middle (“SSMM”) is 3.27 +/- acres within the Sandy Spring Meadow community and the lot acquired in 2015 at 617 Olney Sandy Spring Road. SSMM is immediately adjacent to the Sandy Spring Village Center and, as proposed, will cluster new units close to the village center along Skymeadow Way. The most intensive unit types and densities are closest to the village center, which then transition to lower density building types as one travels from south and north along Skymeadow Way. New open space and recreational opportunities would be created in the portion of existing Sandy Spring Meadow.
- During the initial phase of feasibility, staff assembled a preliminary design team and began to draft the concept plan weaving a new scale, density, character, storm water management, utilities, parking and pedestrian access together into a cohesive group.
- Staff then met with and incorporated ideas from key staff members from the Planning Department further refining the concept plan for submittal. Staff also has begun to draft a communications plan for community outreach and information sharing pathways.
- As envisioned, the concept plan would proceed as an R-60 MPDU Optional Method project with the following attributes:
  - Retention of eleven (11) existing detached houses;
  - Demolition of one (1) detached house at 617 Olney-Sandy Spring Road;
  - Construction of four (4) new duplex dwelling buildings;
  - Construction of three (3) new triplex dwelling buildings;
  - Construction of four (4) new attached townhouses (carriage houses);
  - Construction of approximately 960 square feet of community space; and
  - Creation of new community open space, pathways, and recreational facilities.
- The redevelopment would include a total of 32 residential dwelling units, of which 13 would be detached houses (40.6%), and 19 would be a combination of duplexes, triplexes, and townhouses (59.4%). Staff is requesting a third tranche of \$425,000 from the Opportunity Housing reserve Fund (“OHRF”) to fund a second phase of entitlement costs for the Sandy Spring Missing Middle opportunity.



# Previous Commission Actions

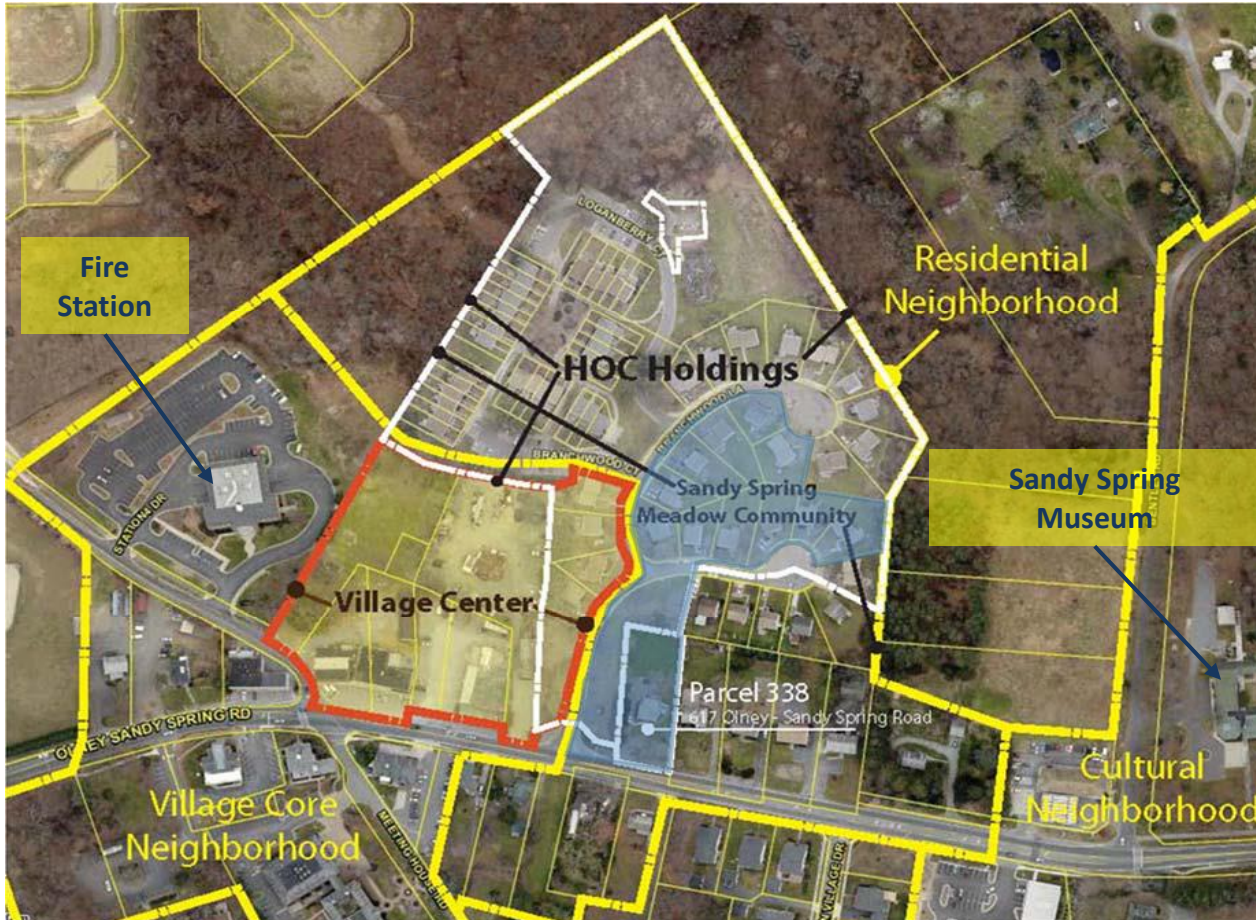
In May 2013, the Montgomery County Planning Department (“Planning”) began the process of revising the Sandy Spring Rural Village Plan (“Plan”). From the outset, HOC staff was an active participant in the revision process with the goal of producing viable redevelopment capacity for Sandy Spring Meadow itself as well as realigning the town center intersection of Brooke Road and Route 108 to accommodate the creation of a more formal town square.

- On **March 4, 2020**, the Commission approved \$75,000 in feasibility funding from the OHRF to explore the joint venture between M-NCPPC and HOC on the Pilot Missing Middle Initiative at Sandy Spring Meadow (Resolution 20-25AS).
- On **July 1, 2020**, the Commission approved a second tranche of funding in the amount of \$330,000 to continue predevelopment activities at the Pilot Missing Middle Initiative, to be funded by a draw on the Opportunity Housing Reserve Fund. (Resolution 20-55).
- On **January 13, 2021**, the Commission approved a Task Order under the current pool contract with Selzer, Gurvitch, Rabin, Wertheimer & Polott, P.C. for approximately \$280,000 for legal land use services for the entitlement of the SSMM Initiative development, including Predevelopment Budget increase authorization for the Sandy Spring Missing Middle Initiative and authorization for the Executive Director to execute purchase orders of up to the current budget authority of \$280,000 for legal services, which includes an 11.38% contingency (Resolution 21-08).



# Sandy Spring Rural Village Plan

In May 2013, the Montgomery County Planning Department (“Planning”) began the process of revising the Sandy Spring Rural Village Plan (the “Plan”). From the outset, HOC staff was an active participant in the revision process with the goal of producing viable redevelopment capacity for Sandy Spring Meadow itself as well as realigning the town center intersection of Brooke Road and Route 108 to accommodate the creation of a more formal town square. The result of the effort is the recommended plan included in the revised Plan, adopted by the County Council in March 2015.



The plan transforms Skymeadow Way from a straitened entry road to the eastern frontage for the future town square. Planning and Council placed a high value on creating connectivity among properties within the Plan and adding open space. Sandy Spring currently has virtually no public open space.

Bracketing the Plan area, the Sandy Spring Volunteer Fire Department station and Sandy Spring Museum – both technically private institutions – are the two predominate venues for events. Traversing from one location to the other by foot or bicycle is not possible.

*Figure 2. Vicinity Map of Sandy Spring showing the master planned village center, the HOC holdings, and the Concept Plan Application area in blue. Previous dedications are not shown.*

# Missing Middle Demonstration/Pilot Project

The Sandy Spring Missing Middle is a proposed planned development on the aggregated redevelopment of 617 Olney Sandy Spring lot (purchased by the Commission in 2015) and the undeveloped portion of Sandy Spring Meadow near the property's entrance, which is immediately adjacent to the Sandy Spring Village Center. It is a pilot program to integrate affordable housing composed of multi-unit housing types (such as duplexes, triplexes, bungalow courts, and mansion apartments) into blocks with primarily single-family homes. The outcome creates diverse housing choices and enough density to support transit and locally-serving commercial use. Thus far, no one has attempted to deliver a Missing Middle prototype despite strong interest from both housing advocates and the Director of Planning.



In fact, in 2019 as a part of a strategic plan to increase affordable housing in Montgomery County, the Planning Department prepared a study of Missing Middle Housing. It is our understanding that this housing strategy will be formalized, and made a part of a county-wide functional plan for affordable housing. It is also our understanding that this Missing Middle Master Plan will inform the updated Thrive Montgomery, the General Plan update that is currently in process.

As a Demonstration/Pilot project, HOC will be providing key documentation of the issues associated with this housing type, and will also implement several public policy goals, including: enhancing the Sandy Spring village center, increasing affordable housing, and providing an incubator project for the study, documentation, and assessment of the Missing Middle Housing concept.



Figure 3. Zoning Map. Concept Plan Application is highlighted in blue overlay.

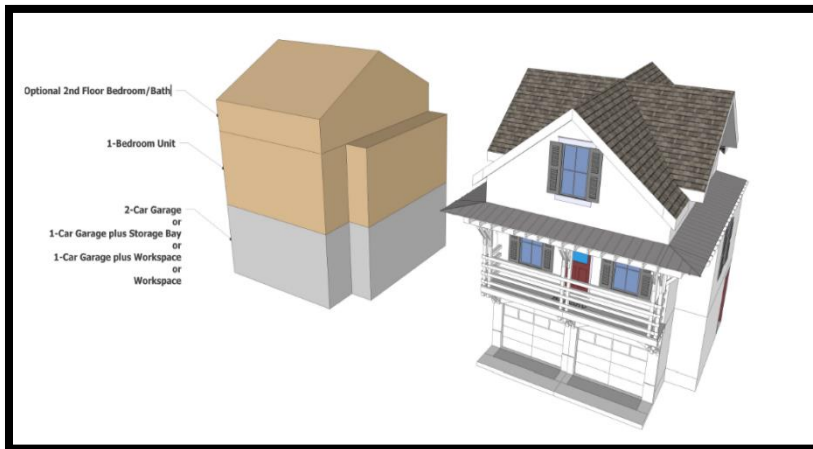
# Concept Redevelopment Plan Evolution

Staff met with a team from the Montgomery County Planning Department (“MCPD”) in May 2020 to present the concept and solicit feedback for a final Concept Plan submission. Highlighted items were an all-rental community, the inclusion of Attached Dwelling Units (“ADU”), the potential for Tri-plex/Three-unit living, and general zoning questions. There was positive feedback on the design and approach and staff were responsive to the comments.

Primarily, the updated Concept Plan addresses concerns to maintain the character of the MD 108 street frontage, specifically regarding bulk, height and architectural character. Multiple MCPD staff did not support the concept of ADUs in an all rental community, but were supportive of additional duplex units as an alternative. HOC responded that ADUs are deleted and replaced by carriage house concepts.



# Concept Redevelopment Plan Evolution



MD 108 Frontage: MCPD expressed a desire to maintain the character of the MD 108 frontage, specifically regarding bulk, height, and architectural character. Staff agreed to look at alternative designs that lower building heights, reduce overall massing, and include architecture that is more in keeping with the character of Sandy Spring



ADUs: Multiple MCPD staff did not support the concept of ADUs in an all rental community, but were supportive of additional duplex units as an alternative. HOC responded that ADUs would be deleted from future designs.

The carriage house footprint varies based on the nature of the stairs (internal or external) and the number of garage spaces and/or workspace below the unit. The footprint can be as small as 14' x 22' for a studio over a single car garage to as large as 36' x 22' for a 2-bedroom unit over a 3-car garage. The carriage houses can be attached with vertical party walls and line one or both sides of an alley where site conditions permit.

# Concept Redevelopment Plan

## Sandy Spring Missing Middle Pilot Project Draft Building Configurations:

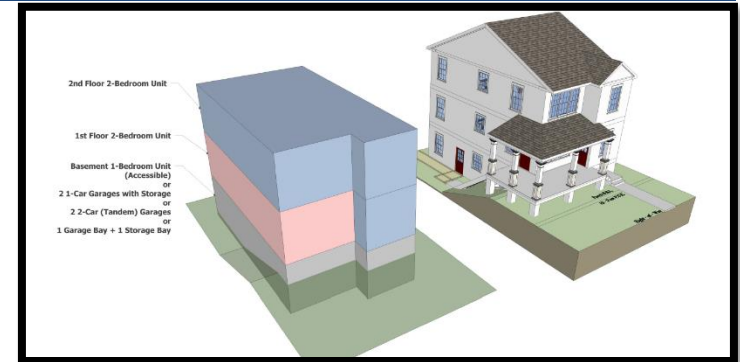
The following diagrams illustrate potential one, two, three, four, five, six, seven, and eight-unit configurations utilizing carriage houses, duplexes, and stacked triplexes. There are no more than three units in a building module without a vertical partition wall. Most configurations utilize individual entrances for each unit. One building configuration proposes a common stair for two upper units. The common stair allows these same upper units to be easily combined into a large three, four, or five-bedroom unit for large and/or extended families.

**The stacked flats** utilize a standard footprint of 23' x 40' with a three-foot extension for stairs and vestibules. Stairs and vestibules can penetrate the front BRL by up to three-feet in all zones. The basement of this building type can be an additional unit, garage parking, storage, or some combination. The garage parking can be integral to the unit above with inclusion of an internal stair, or can be unbundled for use by other tenants.

**The side-by-side duplex/triplex** building type utilizes a standard building module of 19' x 26' with a 12' x 12' optional rear extension for a third bedroom. The basement of this building type can be an additional unit, garage parking, storage, or some combination. The parking can be integral to the unit or unbundled for use by other tenants. The duplexes can be modified to triplexes by including a living unit in the basement where site conditions permit.

**The four-unit configurations** (two basement studios) are possible, but require at least one unit to meet accessibility standards (Fair Housing).

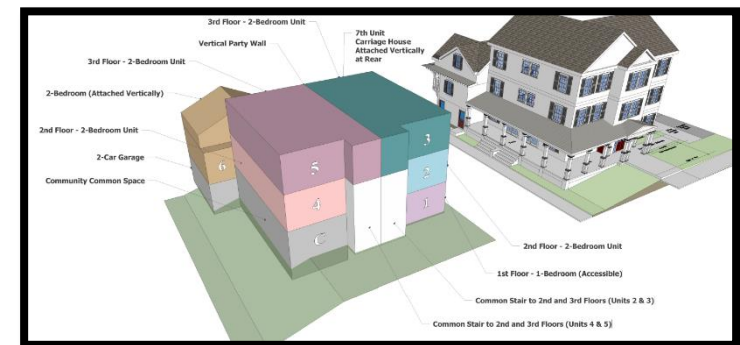
All units are proposed as rental. There are no single-unit building configurations proposed at Sandy Spring.



*Stacked Flats Illustration*



*Side-by-Side Duplex/Triplex*



*Four-Unit Configuration*

# Concept Redevelopment Plan – Universal Design

## Universal Design

Though in the preliminary design stage, the Sandy Spring Missing Middle Pilot Project Draft Building Configurations includes accessibility considerations by starting with a design mandate for inclusion and flexibility.

The Concept Plan as submitted further provides for four (4) fully-accessible units that would not have been otherwise provided within a Single-Family Zone, which is a proven benefit of the Missing Middle project.



The fully accessible unit in the main building in the center of the site for instance, is an example of how the design of both duplexes (side-by-side and stacked) will promote an accessible unit on the ground floors, and thereby turning them into triplexes. The ground floor of this proposed triplex building is an example of where accessibility can be incorporated into the landscape and building using the natural grade to promote ease of access with a covered porch, zero-step entrance, an accessible parking space and adjacent accessible aisle which are a few of the primary Universal Design principles. The subsequent slide will illustrate Universal Design features that are being considered for the building interiors, all of which will continued to be explored by Staff and the design team.

# Concept Redevelopment Plan – Universal Design

The proposed triplex unit contains a number of accessible and Universal Design features including:

- One-story living with the dining, sleeping and living rooms located on one level;
- An accessible bathroom located on the first floor with a roll-in shower;
- A zero-step entry and covered porch; and
- Wide doorways and hallways to allow residents to move freely throughout the unit.

While the interior design spaces are still in the programming phase, Staff will continue to explore methods for implementing additional Universal Design features to further promote inclusivity and aging-in place.



# Preliminary Development Timeline

The application process for an infill development on 3.27 +/- acres within the Sandy Spring Meadow community, which is immediately adjacent to the Sandy Spring Village Center as a Demonstration/Pilot Project to implement Missing Middle Housing, is envisioned as proceeding under the R-60 MPDU Optional Method project.

## Site Plan Approval Timeline

1. **Concept Plan Submittal**– goes to Montgomery County Planning Department Development Review Committee, comments only.
2. **Natural Resource Inventory/Forest Stand Delineation(NRI/FSD)** – staff review only, requires approval before next step.
3. **Combined Preliminary / Site Plan (Planning Board).**
4. **Certified Site Plan.**
4. **Sediment Control** – Agency approval at staff level.
5. **Apply for Construction permits** such as SHA road improvements, WSSC improvements, etc.
6. **Apply for Building permits.**





# Predevelopment Budget

## Feasibility Budget

### Budget for Sandy Spring Missing Middle

Sources				Base
Resolution 20-25AS				\$75,000.00
Resolution 20-55				\$330,000.00
Resolution 21-08				\$180,000.00
Resolution 21-XX	Needed for PHASE III			\$425,000.00
<b>Total</b>				<b>\$1,010,000.00</b>

Uses - PHASE I & II	Vendor	PO	Budget	Contract Amount
Land Planning	Townscape Design (includes Davos A&E)	330020	\$0.00	\$39,600.00
Architectural Concept Design	Davos		\$0.00	\$0.00
Civil	AMT	330777	\$1,765.00	\$12,235.00
Civil Addtl Services	AMT	331060	\$3,670.00	\$0.00
Site Survey	MASER	338372	\$0.00	\$4,900.00
Land Planning CO#1	Townscape Design	1092	\$0.00	\$11,500.00
Land Planning CO#2	Townscape Design	1109	\$0.00	\$7,091.25
Legal Costs	LEB	631231	\$0.00	\$14,866.50
<b>SubtotalTotal</b>			<b>\$5,435.00</b>	<b>\$90,192.75</b>
BalanceRemaining				\$314,807.25

Uses - PHASE III	Vendor	PO	Budget	Contract Amount
Land Planning	Townscape Design		\$126,575.00	\$0.00
Architectural Concept Design	TBD		\$150,000.00	\$0.00
Civil Engineering	AMT		\$108,500.00	\$0.00
Dry Utility Consultant (incl. test pitting)	TBD		\$60,000.00	\$0.00
Land Use Counsel	Selzer Gurvitch + LEB		\$0.00	\$251,381.25
Subdivision Record Plat - Surveying	TBD		\$15,000.00	\$0.00
Permit and Application Fees			\$130,000.00	\$0.00
Contingency @10%			\$0.00	\$59,007.50
<b>SubtotalTotal</b>			<b>\$590,075.00</b>	<b>\$310,388.75</b>
BalanceRemaining				\$19,343.50

### Third Phase Objectives:

- Concept Plan Submission
- Complete Development Team Procurement, including but not limited to Site Civil, Land Planning, and Architectural & Engineering.
- Engage County Development and Review Committee (“DRC”) on Concept Plans.
- Complete NRI/FSD plan.
- Continue to investigate all site opportunities and constraints.
- Determine maximum unit count the site can yield.
- Solve for any parking, water management, pedestrian, and traffic circulation issues.

Staff is requesting \$425,000 for FY22 feasibility funding for the Sandy Spring Missing Middle redevelopment. This includes engagement of additional Land Planning, Site Civil, Dry Utilities, Architectural & Engineering, Plat Surveying, and Permit and Application Fees brought forward in the predevelopment phase of the project. Staff recommends utilizing the Opportunity Housing Reserve Fund (OHRF) as the source of this feasibility funding, to be repaid upon closing of the construction financing. The OHRF had a balance of \$2,970,878 as of March 31, 2021.

# Summary and Recommendations

## ISSUES FOR CONSIDERATION

Will the Commission accept staff's recommendation, which is supported by the Development and Finance Committee to approve a loan of \$425,000 from the OHRF to fund the third phase of predevelopment costs for the Missing Middle concept at the aggregated 617 O-SS & Sandy Spring Meadow development?

## BUDGET/FISCAL IMPACT

The decision does not involve changes to HOC's current FY2021 operating budget. The fiscal impact is that, if these funds are approved, they will not be available for use on other projects and reduces available cash in the OHRF by \$425,000. The OHRF had a balance of \$2,970,878 as of March 31, 2021 and will be reduced by \$425,000 for this item reducing the overall OHRF balance to \$2,545,878.

## TIME FRAME

For formal action at the May 5, 2021 meeting of the Commission.

## STAFF RECOMMENDATION AND COMMISSION ACTION NEEDED

Staff recommends that the Commission approve a loan of \$425,000 from the OHRF to fund the third phase of predevelopment costs for the Missing Middle concept at the aggregated 617 O-SS & Sandy Spring Meadow development.

**RESOLUTION No: 21-47**

**RE: Approval of Third Phase of Predevelopment Funding and Concept Plan Application Preparation for Submittal to Planning Commission at Sandy Spring Meadow**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”), a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, is authorized thereby to effectuate the purpose of providing affordable housing, including providing for the acquisition, construction, rehabilitation and/or permanent financing of rental housing properties which provide a public purpose; and

**WHEREAS**, “Missing Middle” housing is a range of multi-unit or clustered housing types—compatible in scale with detached single-family homes—that help meet the growing demand for walkable urban living; and

**WHEREAS**, on January 14, 2015, the Commission approved the purchase of a single family house and lot located at 617 Olney Sandy Spring Road (“617 O-SS”), immediately adjacent to Sandy Spring Meadow Apartments, a property that is owned by an HOC affiliate; and

**WHEREAS**, the acquisition of 617 O-SS with HOC’s ownership interest in Sandy Spring Meadow Apartments, created a larger property aggregation that staff believes is a strong candidate for a Missing Middle development (the “Missing Middle Pilot Program” or “M2P2”); and

**WHEREAS**, On March 4, 2020, the Commission approved \$75,000 in feasibility funding from the Opportunity Housing Reserve Fund to explore a joint venture between the Maryland-National Capital Park and Planning Commission and HOC on M2P2 ; and

**WHEREAS**, On July 1, 2020, the Commission approved a second tranche of \$330,000 in feasibility funding from the Opportunity Housing Reserve Fund to continue predevelopment activities on M2P2; and

**WHEREAS**, staff have prepared and are ready to submit a Concept Plan Application for M2P2 as an infill development on 3.27 +/- acres within the Sandy Spring Meadows community, which is immediately adjacent to the Sandy Spring Village Center, as a Demonstration/Pilot Project to implement Missing Middle Housing, will proceed under the R-60 MPDU Optional Method project; and

**WHEREAS**, to continue predevelopment activities for the M2P2, staff requires a third tranche of funding in the amount of \$425,000; and

**WHEREAS**, the Commission currently intends and reasonably expects to participate in tax-exempt borrowings to finance such capital expenditures for the redevelopment of M2P2 in an amount not to exceed \$25,000,000, *all or a portion of which may reimburse* the Commission for the portion of such capital expenditures incurred or to be incurred subsequent to the date, which is 60 days prior to the date hereof, but before such borrowing, and the proceeds of such tax-exempt borrowing will be allocated to reimburse the Commission’s expenditures within 18 months of the later of the date of such capital

expenditures or the date that M2P2 is placed in service (but in no event more than 3 years after the date of the original expenditure of such moneys); and

**WHEREAS**, the Commission hereby desires to declare its official intent, pursuant to Treasury Regulation §1.150-2, to reimburse the Commission for such capital expenditures with the proceeds of the Commission’s future tax-exempt borrowing for such projects named in this Resolution.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that it hereby authorizes the Executive Director to submit the Concept Plan Application for the Missing Middle Pilot Program and expend up to \$425,000 to continue predevelopment activities at M2P2, to be funded by a draw on the Opportunity Housing Reserve Fund and reimbursed at closing of the construction financing for M2P2.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that it presently intends and reasonably expects to finance costs related to the predevelopment and other expenditures of M2P2 located in Sandy Spring, Montgomery County, with moneys currently contained in its OHRF and any other funds of the Commission so designated for use by the Commission.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that all of the capital expenditures covered by this Resolution which may be reimbursed with proceeds of tax-exempt borrowings will be incurred not earlier than 60 days prior to the date of this Resolution except preliminary expenditures as defined in Treasury Regulation Section 1.150-2(f)(2) (e.g. architect’s fees, engineering fees, costs of soil testing and surveying).

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that it presently intends and reasonably expects to participate in tax-exempt borrowings of which proceeds in an amount not to exceed \$25,000,000 will be applied to reimburse the Commission for its expenditures in connection with M2P2.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County authorizes and directs the Executive Director, or his designee, without further action on its part, to take any and all other actions necessary and proper to carry out the transactions contemplated herein including, but not limited to, the execution of any and all documents related thereto.

**I HEREBY CERTIFY** that the foregoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on May 5, 2021.

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Patrice M. Birdsong  
Special Assistant to the Commission

# Legislative and Regulatory Committee

# **AUTHORIZATION TO AWARD 100 PROJECT-BASED VOUCHERS IN RESPONSE TO RFP #2232**

**May 5, 2021**

- Project-Based Vouchers are a component of the Housing Choice Voucher Program and provide rental subsidies for low income families.
- Project-Based Vouchers are tied to specific units and awarded to landlords through a competitive selection process.
- The selection process entails a comprehensive review of submitted proposals to ensure compliance with the Project-Based Voucher Regulations found at Title 24 part 983 of the Code of Federal Regulations.
- HOC can allocate up to 20% of the agency's authorized Housing Choice Vouchers for Project-Based Vouchers.
- Staff recommends that the Commission authorize the Executive Director approval to award 100 Project-Based Vouchers as outlined on the attached Exhibit and resolution.

**M E M O R A N D U M**

**TO:** Housing Opportunities Commission of Montgomery County  
**VIA:** Stacy L. Spann, Executive Director  
**FROM:** Lynn Hayes    Division: Housing Resources    Ext. 9622  
**RE:** Authorization to issue 100 Project-Based Vouchers in Response to RFP #2232

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**STATUS:**    **COMMITTEE REPORT:** Deliberation   X  

---

**OVERALL GOAL & OBJECTIVE:**

To obtain authorization of the Housing Opportunities Commission of Montgomery County (the “Commission” or “HOC”) to award 100 Project-Based Vouchers (“PBV”) and authorize the Executive Director, or his designee, to execute Housing Assistance Payments (“HAP”) Contracts for the said vouchers.

---

**BACKGROUND:**

PBVs are a component of the Housing Choice Voucher Program and provide rental subsidies for low income families. PBVs are tied to specific units with private landlords who enter into a contractual agreement referred to as a HAP Contract with HOC. The HAP Contract can be for a term up to 20 years. PBVs can be used to rehabilitate or construct projects or in existing projects.

HOC can allocate up to 20% of the agency’s authorized Housing Choice Vouchers (7,637) as PBVs. Currently, 11% (870) of our customer baseline is allocated for PBVs. At the direction of the Executive Director, staff issued a Request For Proposals (“RFP”) #2232 on December 20, 2020 to award 100 PBVs to developers interested in obtaining PBV assistance.

With the addition of the 100 newly awarded vouchers, HOC’s PBV utilization will increase to 12.7% of the allowable 20%. No new funding is allocated to HOC for these additional PBV units. Rather, we must use our tenant-based funding allocation to pay for PBV subsidies.

Staff held a pre-proposal conference on January 5, 2021. Proposals were due on February 5, 2021 by 2:00 pm. Staff received nine proposals on or before the requested deadline. The scoring criteria is summarized below.

Criteria	Maximum Number of Points
Experience of developer/owner with development or rehabilitation: Management of similar properties and experience with assisted housing programs, or plans to use a management company with a record of such experience managing projects similar to the proposal.	30
Consistency with HOC's initiatives: Preservation and expansion of affordable housing and retention of units for long term use (such as expanding existing or other programs' affordable housing requirements); housing for large families; development of senior housing; and the development of special needs housing.	20
Documented need for the proposed type of residential housing in the proposed geographic area: Projects with units large enough for families most represented on HOC's HCV waiting lists will receive highest priority in this category.	15
Accessibility: Relationship of the proposed development to public facilities, sources of employment and services, including health, education, and recreational facilities.	5
Feasibility of project, including likelihood of financing and marketability, and ability to operate project and units using the rent guidelines pursuant to CFR 983.301.	25
Access to public transportation	5
<b>TOTAL</b>	<b>100</b>

A minimum of 70 points is required for consideration of a PBV award. Due to the high demand for PBVs, staff used the following matrix to determine the number of vouchers to award to each developer:

- Proposals that received an average score ranging from 90 points to 100 points received the entire award of requested vouchers;
- Proposals that received an average score ranging from 80 points to 89 points received 2/3 of the requested vouchers;
- Proposals that received an average score ranging from 70 points to 79 points received 1/3 of the requested vouchers;
- Proposals that received an average score of 69 or less were not awarded vouchers
- Proposals with an average score of 70 points or higher and requested 10 vouchers or less received the entire award;
- Any vouchers remaining after applying the above criteria are awarded to the highest scoring proposal that was not awarded the full amount of requested vouchers.

Of the nine submitted proposals, staff recommend awarding PBVs to seven developers as reflected on the attached exhibit. Two developers did not receive the minimum score of 70 points and do not qualify to receive the PBVs.



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**ISSUES FOR CONSIDERATION:**

Does the Housing Opportunities Commission of Montgomery County wish to accept staff's recommendation, which is supported by the Legislative and Regulatory Committee, to award 100 PBVs, and authorize the Executive Director, or his designee, to execute HAP Contracts for the determined awards?

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**PRINCIPALS:**

Housing Resources Division

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**BUDGET IMPACT:**

There is no impact on the Commission's operating budget.

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**TIME FRAME:**

The Legislative and Regulatory Committee reviewed this item at its meeting on April 28, 2021. For Commission action on May 5, 2021.

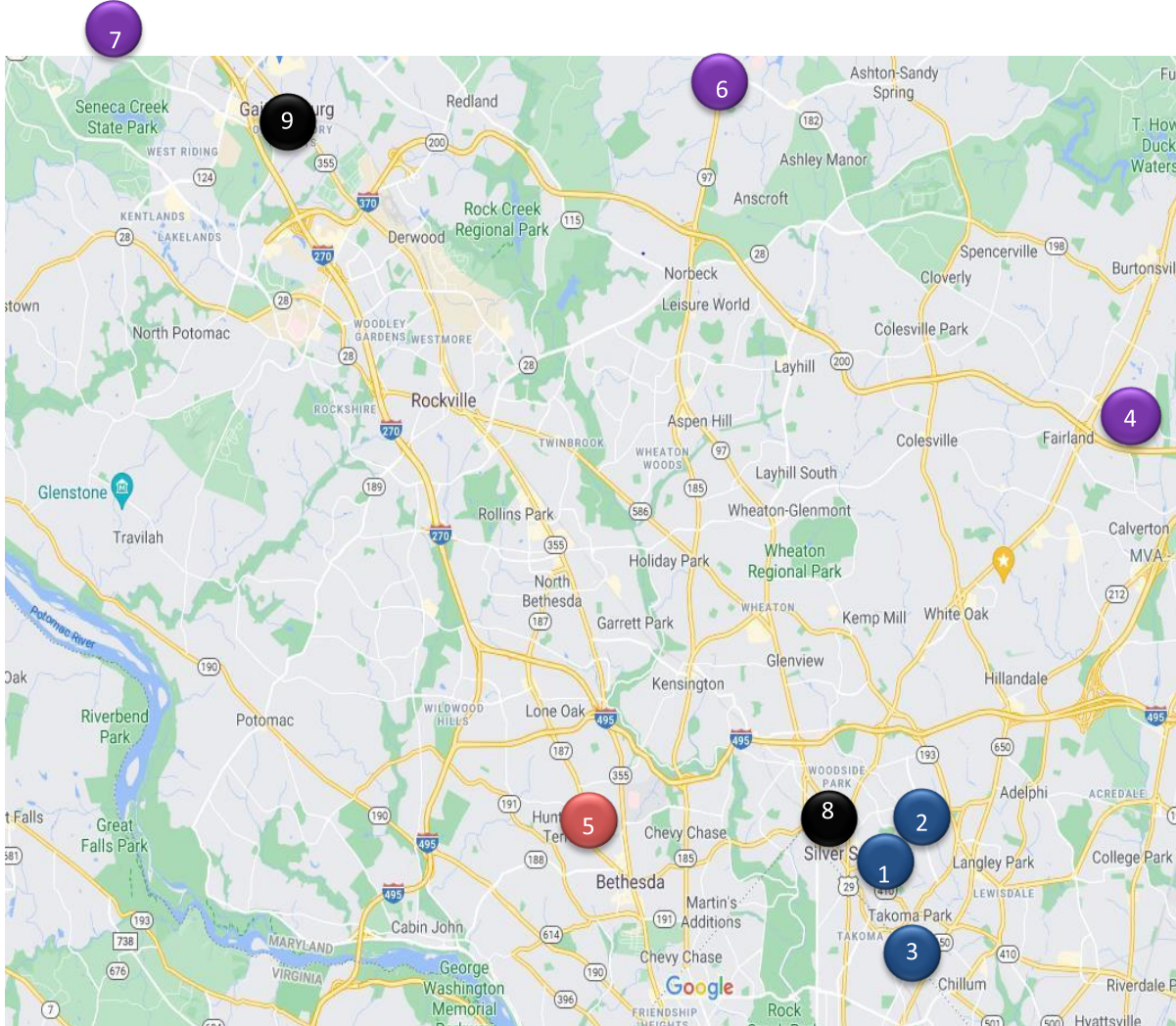
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**STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:**

Staff recommend that the Housing Opportunities Commission of Montgomery County accept the recommendation to award 100 PBVs, and authorize the Executive Director, or his designee, to execute seven HAP Contracts for the said PBVs.

Developer and Property	Average Score	Vouchers Requested	Vouchers Awarded	Property Type	Property Address
TM & Green Street (Sligo Apartments)	96	8	8	Family Property; New construction	715 Sligo Ave, Silver Spring
Enterprise Community Development (Park Montgomery West)	87	36	28 <sup>1</sup>	Family Property; New construction & Rehabilitation	8860 Piney Branch Rd, Silver Spring
MHP (Hillwood Manor)	84	3	3	Family Property; Rehabilitation	1100 Linden Ave, Takoma Park
KB Companies (Willow Manor at Fairland)	80	42	28	Senior Property; Existing Project	13605 Robey Rd, Silver Spring
Housing Unlimited (Scattered Sites)	79	44	15	SRO; Disabled Singles	Scattered Sites (Bethesda, Rockville, Wheaton, Germantown)
KCG Development (Sandy Spring Village)	76	8	8	Senior Property; New Construction	17810 Meeting House Rd, Sandy Spring
Kirby Development (Willow Manor at Cabin Branch)	70	30	10	Senior Property; New Construction	Cabin Branch Ave, Clarksburg
Seabury (Springvale Terrace)	69	94	0	Senior Property; Existing Project	8505 Springvale Rd, Silver Spring
MHP (North Frederick)	67	5	0	Family Property; Existing Project	425 North Frederick Ave, Gaithersburg
<b>Total</b>		<b>270</b>	<b>100</b>		

<sup>1</sup> Enterprise was initially allocated 24 PBVs by formula based on allocation criteria plus four additional left over units based on their high score.



- 1 715 Sligo Ave,  
Silver Spring 20910
- 2 8860 Piney Branch Rd,  
Silver Spring 20903
- 3 1100 Linden Ave,  
Takoma Park 20910
- 4 13605 Robey Rd,  
Silver Spring 20904
- 5 Scattered Sites  
(Bethesda, Rockville,  
Wheaton, Germantown)
- 6 17810 Meeting House Rd,  
Sandy Spring 20860
- 7 Cabin Branch Ave, Clarksburg 20871
- 8 8505 Springvale Rd,  
Silver Spring 20910  
**(NOT AWARDED)**
- 1 425 North Frederick Ave,  
Gaithersburg 20877  
**(NOT AWARDED)**
- 3

**RESOLUTION NO.:21-48**

**RE: Authorization to award 100 Project-Based Vouchers in response to RFP #2232**

**WHEREAS**, Project-Based Vouchers (“PBVs”) are a component of the Housing Choice Voucher Program that provide rental subsidies for low income families;

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (“HOC”) can allocate up to 20% of its Housing Choice Vouchers as PBVs;

**WHEREAS**, staff issued Request for Proposals #2232 (“RFP”) to award 100 PBVs to developers in Montgomery County and received and scored nine proposals;

**WHEREAS**, of the nine proposals, seven met the minimum qualifications for an award; and

**WHEREAS**, staff recommends awarding the 100 PBVs as indicated on the attached Exhibit A, and authorizing the Executive Director to execute the corresponding Housing Assistance Payments (“HAP”) Contracts.

**NOW, THEREFORE, BE IT RESOLVED** that the Housing Opportunities Commission of Montgomery County approves the award of 100 PBVs as indicated in the attached Exhibit A.

**BE IT FURTHER RESOLVED** that the Housing Opportunities Commission of Montgomery County authorizes the Executive Director, or his designee, to execute the corresponding HAP Contracts for the awarded PBVs.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Executive Director, or his designee, is hereby authorized and directed, without any further action on its part, to take any and all other actions necessary and proper to carry out the actions contemplated herein, including the execution of any necessary documentation.

**I HEREBY CERTIFY** that the forgoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on May 5, 2021.

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**Patrice M. Birdsong**  
**Special Assistant to the Commission**

**EXHIBIT A**

<b>Developer and Property</b>	<b>Vouchers Awarded</b>	<b>Property Type</b>	<b>Property Address</b>
<b>TM &amp; Green Street (Sligo Apartments)</b>	8	Family Property; New construction	715 Sligo Ave, Silver Spring
<b>Enterprise Community Development (Park Montgomery West)</b>	28 <sup>1</sup>	Family Property; New construction & Rehabilitation	8860 Piney Branch Rd, Silver Spring
<b>MHP (Hillwood Manor)</b>	3	Family Property; Rehabilitation	1100 Linden Ave, Takoma Park
<b>KB Companies (Willow Manor at Fairland)</b>	28	Senior Property; Existing Project	13605 Robey Rd, Silver Spring
<b>Housing Unlimited (Scattered Sites)</b>	15	SRO; Disabled Singles	Scattered Sites
<b>KCG Development (Sandy Spring Village)</b>	8	Senior Property; New Construction	17810 Meeting House Rd, Sandy Spring
<b>Kirby Development (Willow Manor at Cabin Branch)</b>	10	Senior Property; New Construction	Cabin Branch Ave, Clarksburg
<b><i>Total</i></b>	<b><i>100</i></b>		

# Adjourn

# Development Corporation Meetings

# Paddington Square Development Corporation



**PADDINGTON SQUARE DEVELOPMENT CORPORATION MEETING**

10400 Detrick Avenue  
Kensington, Maryland 20895  
(240) 627-9425

**Minutes**

April 7, 2021

21-01

Mr. Priest convened the meeting of the Paddington Square Development Corporation on Wednesday, April 7, 2021 at 5:37 p.m. via an online platform and teleconference, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland. Those in attendance were:

**Present**

Roy Priest, Chair  
France Kelleher, Vice Chair  
Richard Y. Nelson, Jr., Chair Pro Tem  
Jackie Simon  
Linda Croom

**Absent**

Pamela Byrd

**Also Attending**

Stacy Spann, HOC Executive Director  
Aisha Memon, General Counsel  
Nicolas Deandreis  
Terri Fowler  
Ian Hawkins  
Cornelia Kent  
Marcus Ervin  
Zachary Marks  
Jennifer Arrington  
Fred Swan  
Kathryn Hollister

Kayrine Brown, Deputy Executive Director  
Christina Autin  
Renee Harris  
Victoria Dixon  
Jay Berkowitz  
Darcel Cox  
Nathan Bovelie  
Emma Fiorentino  
Charnita Jackson  
Claire Kim  
Tomi Adebbon

**Development Corporation Support**

Patrice Birdsong

Mr. Priest called to order the Paddington Square Development Corporation, reporting that there was only one item on the Agenda for consideration by the Corporation.

- **Approval of a Refinancing Plan; Authorization to Negotiate and Execute a Permanent Financing Commitment with Love Funding Corporation; Authorization for Corporation to Accept Loan in Accordance with Refinancing Plan**

Kayrine Brown, HOC Deputy Executive Director, and Victoria Dixon, HOC Senior Multifamily Underwriter, were presenters. Ms. Dixon reported that the property is a 165-unit mixed income garden style rental Community. She informed that 41% of the units are restricted to households earning 50-60% area median income (AMI). The property has an outstanding mortgage with Love Funding. Ms. Dixon explained that the loan has a lockout restriction subject to prepayment penalty. She informed that the HOC Staff is requesting approval of refinancing plan, authorization for HOC's Executive Director to negotiate and execute a financing commitment with Love Funding, and accepting a new refinancing loan.

Mr. Nelson interjected for the record that the page numbers Ms. Dixon referenced during her presentation were from an older version of this Briefbook.

Stacy Spann, HOC Executive Director, responded to Mr. Merkowitz question regarding additional cash flow by explaining that HOC would like to take advantage of the favorable interest rate and additional cash to help in rent arrearages.

The following resolution was adopted upon a motion by Richard Y. Nelson, Jr., and seconded by Frances Kelleher. Affirmative votes were cast by Roy Priest, Frances Kelleher, Richard Y. Nelson, Jr., Linda Croom, Jeffrey Merkowitz, and Jackie Simon. Pamela Byrd was necessarily absent and did not participate in the vote.

**RESOLUTION NO.: 21-001<sub>ps</sub>**

**RE: Approval of a Refinancing Plan for Paddington Square; Authorization to Negotiate and Execute a Permanent Financing Commitment with Love Funding Corporation; and, Authorization for the Corporation to Accept Loans in Accordance with Refinancing Plan**

**WHEREAS**, the Paddington Square Development Corporation (the "Corporation") is a wholly-controlled corporate instrumentality of the Housing Opportunities Commission of Montgomery County ("HOC" or the "Commission");

**WHEREAS**, the Corporation owns the property known as "Paddington Square", a community consisting of 165 units in Silver Spring, Maryland (the "Property"), which was acquired by the Corporation on February 4, 2004;

**WHEREAS**, the Property underwent a comprehensive renovation between 2005 and 2011;

**WHEREAS**, on November 5, 2014 the Corporation approved, and on December 18, 2014 closed, on a permanent loan in the amount of \$20,741,700 from Love Funding Corporation (the "Lender") with mortgage insurance under the FHA Section 223(f) Program (the "Senior Loan"), assignment of an existing loan from the County's Housing Initiative Fund ("HIF") of approximately \$5.1 million, and with an equity contribution of \$738,000, which combined proceeds were used to retire existing debt and pay closing costs;

**WHEREAS**, as of February 28, 2021, the Property currently holds approximately \$761,955 (\$4,618 per unit) of funds in its replacement reserve account and renovation escrow accounts;

**WHEREAS**, considering the favorable interest rate environment, staff has reviewed the Property's operational performance, obtained term sheets from multiple lenders from the Commission's FHA Multifamily Accelerated Processing ("MAP") Lender Pool, and proposes (a) refinancing the existing 223(f) Loan under the

223(a)(7) program (“Refinancing Loan”) with the existing Lender for proceeds sufficient to retire the existing Senior Loan and closing costs, (b) re-subordinating the County HIF loan, and (c) utilize existing cash held in the existing replacement reserve and renovation escrow accounts to fund a new initial replacement reserve of approximately \$4,600 per unit (collectively the “Refinancing Plan”); and

**WHEREAS**, as a requirement of closing the Refinancing Loan, staff of the County have expressed support to resubordinate the existing HIF loan, including accrued interest.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Paddington Square Development Corporation, that it approves the following:

1. The Property’s Refinancing Plan, as described herein, including (a) a Refinancing Loan of approximately \$18,800,000 under the 223(a)(7) program with Love Funding Corporation, credit enhanced with mortgage insurance provided by FHA, which will be used to repay existing senior debt, closing costs, and capitalize financing; (b) resubordinating the existing \$5.2 million County HIF loan and accrued interest, and (c) combining proceeds of the Property’s existing replacement reserve and renovation escrow accounts to fund a new initial replacement reserve equal to approximately \$4,600 per unit;
2. Authorization for the Commission’s Executive Director to negotiate and execute a financing commitment with Love Funding Corporation;
3. Authorization for the Commission’s Executive Director to negotiate and execute re-subordination of the County HIF loan to the Refinancing Loan; and
4. Accepting the new Refinancing Loan and County HIF loan.

**BE IT FURTHER RESOLVED** that the Paddington Square Development Corporation authorizes and directs the Commission’s Executive Director, or his designee, without any further action on its part, to take any and all other actions necessary and proper to carry out the transaction and actions contemplated herein.

Based upon this report and there being no further business to come before this session, a motion was made by Jackie Simon and seconded by Richard Y. Nelson, Jr., to adjourn the meeting of the Paddington Square Development Corporation at 5:45 p.m.

Respectfully submitted,

Stacy L. Spann  
Secretary-Treasurer  
Paddington Square Development Corporation

/pmb