

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

A G E N D A

February 15, 2024 – 10:00 a.m.

735 East Michigan Avenue, Lansing, Michigan 48912
Cadillac Place, 3028 West Grand River, Room 4-602, Detroit, MI 48202
202 East Grandview Parkway, First Floor Conference Room, Traverse City ,MI 49684
Microsoft Teams Conference Line: 248-509-0316 | Conference ID: 221 650 508#

Roll Call:

Public Comments:

Voting Issues:

Tab A Approval of Agenda

CONSENT AGENDA ITEMS

Consent Agenda *(Tabs B through H are Consent Agenda items. They are considered routine and are to be voted on as a single item by the Authority. There will be no separate discussion of these Tabs; any Authority member, however, may remove any Tab or Tabs from the Consent Agenda prior to the vote by notifying the Chair. The remaining Tabs will then be considered on the Consent Agenda. Tabs removed from the Consent Agenda will be discussed individually.)*

Tab B Minutes – January 18, 2024 Board Meeting

Tab C Amended and Restated Resolution Designating Bank Accounts and Authorizing Officers as to Requisition and Investment of Funds

Tab D Resolution Authorizing Appointment of Directors to the Michigan Homeowner Assistance Nonprofit Housing Corporation

~~Tab E Resolution Authorizing Operating Fund Grant to the Michigan Homeownership Assistance Nonprofit Housing Corporation~~

Tab F Resolution Authorizing Prequalified Environmental Consultants

Tab G Resolution Authorizing Amendment to Extend Contract with Environmental Testing and Consulting, Inc.

Tab H Resolution Authorizing the Executive Director to Take Action on Behalf of the Authority to Dispose of and Convey Parcels Valued at \$100,000 or Less

REGULAR VOTING ITEMS

- Tab I Michigan State Housing Development Authority Series Resolution Authorizing the Issuance and Sale of Single-Family Mortgage Revenue Bonds, **2024 Series A** in an Amount not to Exceed \$350,000,000
- Tab J Michigan State Housing Development Authority Series Resolution Authorizing the Issuance and Sale of Single-Family Mortgage Revenue Bonds, **2024 Series B** (Federally Taxable) in an Amount not to Exceed \$275,000,000
- Tab K Michigan State Housing Development Authority Series Resolution Authorizing the Issuance and Sale of Single-Family Mortgage Revenue Bonds, **2024 Series C** (Federally Taxable) in an Amount not to Exceed \$50,000,000
- Tab L Resolution Authorizing Delivery of Michigan State Housing Development Authority Multifamily Housing Revenue Notes or Bonds Relating to Birch Park to Finance a Loan or Loans to Birch Park Preservation II Limited Dividend Housing Association, LLC, so as to Enable the Borrower to Acquire, Rehabilitate and Equip a Certain Multifamily Rental Housing Facility, Authorizing the Execution and Delivery of Certain Primary Financing Documents and Gap Financing Documents, and Determining and Authorizing Other Matters Relative Thereto
- Resolution Authorizing Loan, **Birch Park**, City of Saginaw, Saginaw County, **MSHDA No. 44c-205**
- Tab M Resolution Authorizing Delivery of Michigan State Housing Development Authority Multifamily Housing Revenue Notes or Bonds Relating to Coventry Woods to Finance a Loan or Loans to Coventry Woods Preservation II Limited Dividend Housing Association, LLC, so as to Enable the Borrower to Acquire, Rehabilitate and Equip a Certain Multifamily Rental Housing Facility, Authorizing the Execution and Delivery of Certain Primary Financing Documents and Gap Financing Documents, and Determining and Authorizing Other Matters Relative Thereto
- Resolution Authorizing Loan, **Coventry Woods**, City of Walker, Kent County, **MSHDA No. 44c-206**
- Tab N Resolution Determining Mortgage Loan Feasibility, **The Sanctuary at Brewster**, **MSHDA Development No. 4122**, City of Detroit, Wayne County
- Resolution Authorizing Mortgage Loan, **The Sanctuary at Brewster**, **MSHDA Development No. 4122**, City of Detroit, Wayne County
- Tab O Resolution Authorizing Modification to Mortgage Terms, **Kalamazoo Rosewood**, **MSHDA Development No. 1037**, City of Kalamazoo, Kalamazoo County

TAB E RESOLUTION AUTHORIZING OPERATING FUND GRANT TO THE MICHIGAN HOMEOWNERSHIP ASSISTANCE NONPROFIT HOUSING CORPORATION

Closed Session

None.

Discussion Issues:

None.

Remarks:

Chairperson

Executive Director

Reports:

- Tab 1 Approval of the Annual Public Housing Agency (“PHA”) Plan and Administrative Plan, and the 5-Year PHA Plan for the Housing Choice Voucher Program (Draft)
- Tab 2 Current and Historical Homeownership Data
- Tab 3 Monthly Homeownership Production Report
- Tab 4 MI 10K DPA Monthly Statistics (Map)
- Tab 5 2024 Board Calendar

DRAFT

**Michigan State Housing Development Authority
Minutes of Regular Authority Meeting
January 18, 2024 – 10:00 a.m.**

AUTHORITY MEMBER(S) PRESENT IN LANSING

Jonathan Bradford
Susan Corbin

AUTHORITY MEMBER(S) PRESENT IN DETROIT

Regina Bell
Kevin Smith for Rachael Eubanks

AUTHORITY MEMBER(S) PRESENT IN TRAVERSE CITY

Warren Call

AUTHORITY MEMBER(S) ABSENT

Jennifer Grau
Tyrone Hamilton
Michele Wildman for Quentin Messer

OTHERS PRESENT IN LANSING

Amy Hovey, Executive
Lisa Ward, Executive
Katie Bach, Communications
Chad Benson, Rental Development
Mary Cook, Operations
Geoffrey Ehnis-Clark, Legal Affairs
Chris Hall, Information Technology
Gary Heidel, Executive
John Hundt, Rental Development
Lisa Kemmis, Rental Assistance and Homeless Solutions
Tim Klont, Partnerships and Engagement
Richard Norton, Legal Affairs
Clarence Stone, Legal Affairs
Daphne Wells, Operations
Mark Whitaker, Information Technology
Justin Wieber, Asset Management

Tonya Coon, Homeownership
Jennife Bowman, Partnerships and Engagement
Mark Garcia, Partnerships and Engagement
Mike Stefanko, Ginosko
Andrew Minegar, MIRS
Sandy Pearson, CEDAM

OTHERS PRESENT IN DETROIT

Matthew Smith, Information Technology
Tameika Howell, Operations
Natasha Wildt, Information Technology

OTHERS PRESENT IN TRAVERSE CITY

Tony Lentych, Rental Development

OTHERS PRESENT VIA MICROSOFT TEAMS

Zachary Herrmann (MSHDA)
Roberta Douglass (MSHDA)
Trenton Mitchell (MSHDA)
Etta Henderson, (MSHDA)
Kevin Louis (MSHDA)
Kelly Barz (MSHDA)
John Swift (MSHDA)
Cisco Potts (MSHDA)
Christine Miller (MSHDA)
Damon Pline (MSHDA)
Laurie Kelly (MSHDA)
Roxanne Eaton (MSHDA)
Scott Kindinger (MSHDA)
David Allen (MSHDA)
Marcel Jackson (MSHDA)
Tera Poag (MSHDA)
Likwa Williams (MSHDA)
Sandra Kimball (MSHDA)
Matthew Schoenherr (MSHDA)
Charlotte Johnson (MSHDA)

Michael Naberhuis (MSHDA)
Tonya Joy (MSHDA)
Nini Thang (MSHDA)
Katy VanHouten (MSHDA)
Corrie Schmidt-Parker (MSHDA)
Tyler Hull (MSHDA)
Jennifer McNeely (MSHDA)
James Davis (MSHDA)
Amanda Curler (MSHDA)
Amber McCray (MSHDA)
SaVille Hill (MSHDA)
Benjamin Honeyford (MSHDA)
Paul Bursley (MSHDA)
Ronald Pulaski (MSHDA)
Michael Fobbe (Office of Attorney General)
Amy Patterson (Office of Attorney General)
Hilary Vigil (Office of Attorney General)
John Milhouse (Office of Attorney General)
Alexis Harrington (Hawkins)
Jarrod Smith (Dykema)

Three additional members of the public participated via the Conference Line: 248-509-0316, Conference ID: 221 650 508#. Chairperson Susan Corbin opened the meeting at 10:01 a.m. A quorum was established with the presence of Ms. Corbin, Ms. Bell, Mr. Bradford, Mr. Call and

Mr. Smith.

Authority members (“Authority” or “Board”) were physically present in the Authority’s Lansing, Detroit, and Traverse City offices. Ms. Corbin proceeded to request public comments from participants both in-person and via Teams. No public comments were received.

Meeting Announcements:

Ms. Corbin announced there was a goldenrod for Tab E (HOM Flats at 24 East) to reflect minor edits.

Approval of Agenda:

Jonathan Bradford moved approval of **Tab A (Agenda)**. Regina Bell supported. The agenda was approved.

Regular Voting Items:

There being no Consent Agenda, Kevin Smith moved approval of **Tab B** (Minutes – December 14, 2023, Board Meeting). Jonathan Bradford supported. The minutes were approved.

Jeff Sykes, Chief Financial Officer, presented **Tab C**, Resolution Declaring Official Intent to Reimburse Expenditures for Financing and Purchasing Mortgage Loans. Mr. Sykes reviewed the resolution as detailed in the board docket.

Jonathan Bradford moved to approve **Tab C**. Warren Call supported. The following Roll Call was taken for **Tab C**:

Regina Bell	Yes	Jennifer Grau	Absent
Jonathan Bradford	Yes	Tyrone Hamilton	Absent
Warren Call	Yes	Kevin Smith	Yes
Susan Corbin	Yes	Michele Wildman	Absent

Jeff Sykes, Chief Financial Officer and Jarrod Smith, Bond Counsel with Dykema Gossett, presented **Tab D**, Resolution Authorizing Short-Term Credit Facility (Single-Family Program) 2024 in an Amount Not to Exceed \$150,000,000. Mr. Sykes reviewed the business terms and Mr. Smith reviewed the resolution as detailed in the board docket.

John Millhouse of the Attorney General’s Office and Clarence Stone, Director of Legal Affairs, both confirmed that the documents in **Tab D** were acceptable for the Board’s action.

Jonathan Bradford moved to approve **Tab D**. Susan Corbin supported. The following Roll Call was taken for **Tab D**:

Regina Bell	Yes	Jennifer Grau	Absent
Jonathan Bradford	Yes	Tyrone Hamilton	Absent

Warren Call	Yes	Kevin Smith	Yes
Susan Corbin	Yes	Michele Wildman	Absent

There were 5 “yes” votes. The resolution was approved.

Clarence Stone, Director of Legal Affairs and Alexis Harrington, Bond Counsel with Hawkins Delafield and Wood, LLP presented **Tab E**, Resolution Authorizing Issuance and Sale of Michigan State Housing Development Authority Multifamily Housing Revenue Bonds, Series 2024 (Hom Flats at 24 East Project) to Finance a Loan to 24 East Limited Dividend Housing Association Limited Partnership, so as to Enable the Borrower to Acquire, Construct and Equip a Certain Multifamily Rental Housing Facility, Authorizing the Execution of the Bond Purchase Agreement, the Loan Agreement and the Trust Indenture Securing the Bonds, Authorizing the Execution of the Funding Loan Agreement, the Project Loan Agreement, the Project Note and the Governmental Note, and Determining and Authorizing Other Matters Relative Thereto and Resolution Authorizing Loan, HOM Flats at 24 East, MSHDA No. 44c-210, City of Holland, Ottawa County. Mr. Stone reviewed the loan resolution and Ms. Harrington reviewed the bond resolution as detailed in the board docket.

John Millhouse of the Attorney General’s Office and Mr. Stone both confirmed that the documents in **Tab E** were acceptable for the Board’s action.

Warren Call moved to approve **Tab E**. Jonathan Bradford supported. The following Roll Call was taken for **Tab E**:

Regina Bell	Yes	Jennifer Grau	Absent
Jonathan Bradford	Yes	Tyrone Hamilton	Absent
Warren Call	Yes	Kevin Smith	Yes
Susan Corbin	Yes	Michele Wildman	Absent

There were 5 “yes” votes. The resolutions were approved.

Clarence Stone, Director of Legal Affairs and Alexis Harrington, Bond Counsel with Hawkins Delafield and Wood, LLP presented **Tab F**, Resolution Authorizing Delivery of Michigan State Housing Development Authority Multifamily Housing Revenue Notes or Bonds Relating to Lawrence Park to Finance a Loan or Loans to Lawrence Park Preservation II Limited Dividend Housing Association, LLC, so as to Enable the Borrower to Acquire, Rehabilitate and Equip a Certain Multifamily Rental Housing Facility, Authorizing the Execution and Delivery of Certain Primary Financing Documents and Gap Financing Documents, and Determining and Authorizing Other Matters Relative Thereto and Resolution Authorizing Loan, Lawrence Park, MSHDA No. 44c-204, City of Center Line, Macomb County. Mr. Stone reviewed the loan resolution and Ms. Harrington reviewed the bond resolution as detailed in the board docket.

Michael Fobbe of the Attorney General’s Office and Mr. Stone both confirmed that the documents in **Tab F** were acceptable for the Board’s action.

Warren Call moved to approve **Tab F**. Jonathan Bradford supported. The following Roll Call was taken for **Tab F**:

Regina Bell	Yes	Jennifer Grau	Absent
Jonathan Bradford	Yes	Tyrone Hamilton	Absent
Warren Call	Yes	Kevin Smith	Yes
Susan Corbin	Yes	Michele Wildman	Absent

There were 5 “yes” votes. The resolutions were approved.

Chad Benson, Director of Development, presented **Tab G**, Resolution Determining Mortgage Loan Feasibility, **Brush Creek Woodside, MSHDA Development No. 4074**, Cities of Lawrence and Hartford, Van Buren County and Resolution Authorizing Mortgage Loan, **Brush Creek Woodside, MSHDA Development No. 4074**, City of Lawrence and City of Hartford, Van Buren County. Mr. Benson reviewed the resolutions as detailed in the board docket.

Jonathan Bradford moved approval of **Tab G**. Susan Corbin supported. The resolutions were approved.

Chad Benson, Director of Development, presented **Tab H**, Resolution Determining Mortgage Loan Feasibility, Resolution Determining Mortgage Loan Feasibility, The Village at Garfield, MSHDA Development No. 4070, Garfield Township, Grand Traverse County and Resolution Authorizing Mortgage Loan, The Village at Garfield, MSHDA Development No. 4070, Garfield Township, Grand Traverse County. Mr. Benson reviewed the resolutions as detailed in the board docket.

Kevin Smith moved approval of **Tab H**. Regina Bell supported. The resolutions were approved.

Justin Wieber, Asset Management presented **Tab I**, Resolution Authorizing Modification to Mortgage Terms, The Preserve at Orianna Ridge No. 1074, City of Marquette, Marquette County. Mr. Wieber reviewed the resolution as detailed in the board docket.

Jonathan Bradford moved approval of **Tab I**. Warren Call supported. The resolution was approved.

Justin Wieber, Asset Management presented **Tab J**, Resolution Authorizing Waiver of Mortgage Loan Prepayment Prohibition, Woodbrook Senior Apartments, MSHDA Development No. 988, City of Three Rivers, St. Joseph County. Mr. Wieber reviewed the resolution as detailed in the board docket.

Warren Call moved approval of **Tab J**. Regina Bell supported. The resolution was approved.

Board Chair Susan Corbin presented **Tab K**, Resolution of Appreciation for Gary Heidel. Ms. Corbin read the resolution and Authority members spoke of their appreciation for Mr. Heidel. Afterwards, a video was shown from Governor Gretchen Whitmer thanking Mr. Heidel for his years of service and wishing him the best on his retirement.

Chair’s Report:

Ms. Corbin noted that the Governor's State of the State Address will take place on January 24, 2024.

Executive Director's Report:

Executive Director Hovey asked Tonya Coon, Director of Homeownership, to share the 2023 achievements in the Homeownership division. Following Ms. Coon's presentation, Authority members were shown a video highlighting MSHDA's new Tribal Nations Housing Development Assistance Program.

After the Executive Director's updates, Ms. Corbin announced the following reports were included in the docket for reference: **(Tab 1)** Delegated Action Reports; **(Tab 2)** Current and Historical Homeownership Data; **(Tab 3)** Monthly Homeownership Production Report; **(Tab 4)** MI 10K DPA Monthly Statistics (Map); and **(Tab 5)** 2024 Board Calendar.

Ms. Corbin noted that the next regular board meeting would be February 15, 2024. She then requested a motion to adjourn the meeting. Jonathan Bradford moved to adjourn, and Regina Bell supported. The meeting adjourned at 11:14 a.m.

REVIEWED
By Lisa Ward at 8:28 am, Jan 22, 2024

REVIEWED
By Clarence L. Stone, Jr. at 3:50 pm, Jan 22, 2024



M E M O R A N D U M

TO: Authority Members
FROM: Amy Hovey, Chief Executive Officer and Executive Director *Amy Hovey*
DATE: February 15, 2024
RE: Amended and Restated Resolution Designating Bank Accounts and Authorizing Officers as to Requisition and Investment of Funds

RECOMMENDATION:

I recommend that the Michigan State Housing Development Authority (the “Authority”) adopt the attached Amended and Restated Resolution Designating Bank Account and Authorizing Officers as to Requisition and Investment of Funds (“Bank Account Resolution”).

EXECUTIVE SUMMARY:

The Bank Account Resolution designates the Authority officers who are authorized to transfer funds to and from each Authority bank account. The Bank Account Resolution is being amended to update signatories based on changes to certain positions, remove accounts that are no longer in use and update certain accounts.

ADVANCING THE AUTHORITY’S MISSION:

The Authority’s Finance Division works to ensure the financial stability of the Authority’s affordable housing portfolio and the account update is a necessary administrative action.

ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:

None.

DRAFT

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

**AMENDED AND RESTATED
RESOLUTION DESIGNATING BANK ACCOUNTS AND AUTHORIZING
OFFICERS AS TO REQUISITION AND INVESTMENT OF FUNDS**

~~April 20, 2023~~
February 15, 2024

WHEREAS, the Michigan State Housing Development Authority (hereinafter referred to as the "Authority"), pursuant to Act No. 346 of the Public Acts of 1966 of the State of Michigan, as amended (hereinafter referred to as the "Act"), is authorized to prescribe a system of accounts, designate Authorized Officers to make requisitions from such accounts, and to invest any funds held in reserve or sinking funds or any monies not required for immediate use or disbursement at the discretion of the Authority; and

WHEREAS, the Authority hereby wishes to formally prescribe its systems of accounts and to designate Authorized Officers to make requisitions from and to invest funds in such accounts; and

WHEREAS, the Authority hereby wishes to designate Authorized Officers for the purpose of entering into contracts on behalf of the Authority as to the custody, collection, securing, investment, and payment of any monies of the Authority and thereby to open and close the accounts of the Authority; and

WHEREAS, this resolution amends and supersedes all prior resolutions now in effect pertaining to the designation of bank accounts and Authorized Officers as to requisition and investment of funds and access to safe deposit boxes.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority as follows:

1. The following accounts be and they hereby are designated as the accounts of the Authority, and the following banks be and they hereby are designated as the depositories for the said accounts of the Authority:

<u>FUND NUMBER</u>	<u>ACCOUNT</u>	<u>BANK NAME</u>
35	Bank Proceeds Accounts - Home -Improvement Program (2)	Comerica Bank
<u>65-68</u>	<u>SF Remittance Accounts</u>	<u>U.S. Bank</u>
70	Petty Cash Account	JP Morgan Chase

70	Housing Choice Voucher Program - Operating Expenses	Bank of America
70	Section 8 Family Self Sufficiency Operating Expenses	Bank of America
70	General Operating Account	JP Morgan Chase
70	Lock Box Depository Account	JP Morgan Chase
70	Affordable Housing Tax Credit Gap Financing Account	JP Morgan Chase
75	Capital Reserve Capital Account	US Bank
80	Escrow Account for Mortgagors - Multi-Family	JP Morgan Chase
80	Escrow Account for Mortgagors - Multi-Family – HUD Projects	JP Morgan Chase
80	Escrow Account For Mortgagors - Multi-Family	U.S. Bank
80	Escrow Account For Mortgagors - Single Family	U.S. Bank
95	Home Program Account	First Independence National Bank
95	Mainstream 5	Bank of America
95	Section 8 Housing CHOICE Voucher Program Account	Bank of America
95	Section 8 Family Self Sufficiency Escrow Account	Bank of America
95	Section 8 Moderate Rehabilitation Housing Program Account	JP Morgan Chase
95	Contract Administration	JP Morgan Chase
95	Section 8 New Construction Housing Program Account	JP Morgan Chase
95	Section 8 Housing Voucher	JP Morgan Chase

Program Account		
95	Federal Program Depository	JP Morgan Chase
95	Tax Credit Assistance Program Account	JP Morgan Chase
95	Treasury 1602 Program Account	JP Morgan Chase
95	Section 811 Project Rental Assistance Demonstration Program	JP Morgan Chase
95	MI-HOPE Program Account	JP Morgan Chase
95	Missing Middle Program Account	JP Morgan Chase
95	Housing and Community Development Fund Account	JP Morgan Chase
95	CARES Admin Account	Bank of America
95	Homeowner Assistance Fund	JP Morgan Chase
95	Emergency Rental Assistance Program	JP Morgan Chase
150- 199 166	Single Family Homeownership Revenue Bonds	U.S. Bank
180	Mortgage Backed Security (MBS) Program	U.S. Bank
200-399	Single Family Mortgage Revenue Bonds - Trustee Accounts	U.S. Bank
400-599	Rental Housing Revenue Bonds Disbursement Account and Trustee Accounts	U.S. Bank

2. The Chief Executive Officer and Executive Director, the Chief of Staff, the Chief Housing Investment Officer, the Director of Legal Affairs, the Deputy Director of Legal Affairs, the Chief Housing Solutions Operating Officer, the Deputy Director of Finance, and the Chief Financial Officer, together with any person duly appointed and acting in such capacity or any of them, be and they hereby are designated Authorized Officers of the Authority for the purpose of giving investment directions for the funds on deposit in and to open and close the aforementioned accounts of the Authority which may include as sub-accounts savings accounts and other time deposits evidenced by Certificate, Receipt, Passbook or otherwise

as they, or any of them may determine to be necessary or desirable, within the limitations imposed on the investment of such funds by the terms of the Act and the resolutions of the Authority. In addition, the foregoing authorized officials are also authorized to purchase Certificates of Deposit from any other bank approved by the State Treasurer provided the Certificates are fully collateralized by obligations of this State or the United States or by obligations guaranteed by this State or the United States or by other obligations as may be approved by the State Treasurer. The Chief Executive Officer and Executive Director is further authorized to designate employees of the Authority who may give telephonic orders to banks to transfer funds from any Authority account and to give telephonic orders to purchase and sell Authority investments. All telephonic orders must be immediately followed up with either a written confirmation with each such confirmation signed as provided in this Section 2 or Section 4 hereof or with a written statement of such transfer signed as provided in this Section 2 or Section 4 hereof and filed in the accounting records of the Authority.

3. The aforementioned depositories of the aforementioned accounts be, and they hereby are authorized and directed to accept, in accordance with their rules and regulations from time to time in effect, for credit to the aforementioned accounts of the Authority, any and all checks, drafts and other negotiable instruments when endorsed in the name of the Authority in writing, by rubber stamp or otherwise with or without a designation of the party making such endorsement.
4. (a) Any and all funds standing to the credit of the Authority in any of the aforementioned accounts, except for the Petty Cash Account and other time deposits may be paid out or withdrawn upon checks drawn against the respective accounts when signed in the name of the Authority by two (2) of the following persons who are hereby designated Authorized Officers of the Authority for this purpose:

<u>NAME</u>	<u>TITLE</u>
Amy Hovey	<u>Chief Executive Officer and</u> Executive Director
Gary Heidel	Acting Chief of Staff
<u>Anthony Lentych</u>	<u>Chief Housing Investment Officer</u>
Clarence L. Stone, Jr.	Director of Legal Affairs
Richard M. Norton	
<u>Geoffrey Ehnis-Clark</u>	<u>Acting</u> Deputy Director of Legal Affairs
Kelly A. Rose	Chief Housing Solutions-Operating Officer
Jeffrey J. Sykes	Chief Financial Officer
Jason Fedewa	Deputy Director of Finance

The aforementioned depositories of the aforementioned accounts be, and they hereby are authorized and directed to honor and pay any and all checks signed as provided above.

- (b) The Chief Executive Officer and Executive Director is authorized to enter into Transfer Agreements between the Authority and any of the depositories of Authority funds for the transfer of such funds by telephonic advance by any employee of the Authority designated by the Chief Executive Officer and Executive Director. Such transfers shall be promptly confirmed in writing or by a written statement of such transfers that shall be filed in the

accounting records of the Authority. Such confirmation or written statement shall be signed by any two of the above designated Authorized Officers, unless such transfer is being made to any other of the aforementioned accounts or to an approved servicer or originator under the Single Family or Home Improvement Programs, in which case such transfer may be so confirmed by any one of the above designated Authorized officers. If any bank shall require a telephonic confirmation of any transfer, any of the individuals named in 4(a) may provide such confirmation or may designate Teena Briggs, Manager of Audit, Single Family and Multi-Family Mortgage Servicing; or Jeffrey J. Sykes, Chief Financial Officer, to provide such confirmation.

(c) Any and all funds standing to the credit of the Authority in the Petty Cash Account may be paid out or withdrawn upon checks, which are not in excess of \$100.00 drawn against such account when signed in the name of the Authority by any one (1) of the following persons who are hereby designated Authorized Officers of the Authority for this purpose:

<u>NAME</u>	<u>TITLE</u>
Amy Hovey	Chief Executive Officer and Executive Director
Gary Heidel	Acting Chief of Staff
Clarence L. Stone, Jr.	Director of Legal Affairs
Richard M. Norton	
Geoffrey Ehnis-Clark	Acting Deputy Director of Legal Affairs
Teena Briggs	Manager of Audit, Single Family and Multi-Family Mortgage Servicing
Jeffrey J. Sykes	Chief Financial Officer
Kelly A. Rose	Chief Housing Solutions- Operating Officer
Anthony Lentych	Chief Housing Investment Officer
Jason Fedewa	Deputy Director of Finance

The depository of the Petty Cash Account be, and it hereby is authorized and directed to honor and pay any and all checks up \$100.00 signed as provided above. Access to the safe deposit boxes of the Authority in the vaults of JP Morgan Chase Bank and Comerica Bank, shall be had by any one (1) of the following persons who are hereby designated Authorized Officers of the Authority for this purpose:

<u>NAME</u>	<u>TITLE</u>
Jeffrey J. Sykes	Chief Financial Officer
Teena Briggs	Manager of Audit, Single Family and Multi-Family Mortgage Servicing
Cisco Potts	Senior Account Analyst
Jason Fedewa	Deputy Director of Finance

The aforementioned Authorized Officers are likewise authorized to surrender and exchange any one or all of the safe deposit boxes of the Authority at any time. JP Morgan Chase Bank, shall be entitled to rely on the right of access hereby given until it receives a written notification from the Authority of any change or revocation of the right of access, notwithstanding that

this authority may have been otherwise revoked by the Authority or by operation of law.

5. The Authority from time to time may change the persons whose signatures may be honored in connection with the foregoing accounts and safe deposit boxes of the Authority by Resolution and shall thereafter notify such aforementioned depositories and the State Treasurer of such changes. The foregoing Resolution shall remain in full force and effect until written notice of its amendment or rescission shall have been received by such aforementioned depositories, and receipt of such notice shall not affect any action taken by such aforementioned depositories prior thereto. The Chairperson or the Chief Executive Officer and Executive Director of the Authority are hereby authorized and directed to certify this Resolution to such aforementioned depositories.
6. This Resolution shall take effect on ~~April 20, 2023~~February 15, 2024.

I, Susan Corbin, hereby certify that I am the Chair of the Michigan State Housing Development Authority and that the foregoing is a true and exact copy of a Resolution duly adopted by the Authority at a duly convened meeting thereof held on ~~April 20, 2023~~February 15, 2024. I further certify that the true signatures of the signatories authorized to sign on the accounts referred to in the foregoing Resolution appear below.

<u>Name</u>	<u>Title</u>	
Amy Hovey	<u>Chief Executive Officer and</u> Executive Director	_____
Gary Heidel	Acting Chief of Staff	_____
<u>Anthony Lentych</u>	<u>Chief Housing Investment</u> <u>Officer</u>	_____
Clarence L. Stone, Jr.	Director of Legal Affairs	_____
Richard M. Norton		
Geoffrey Ehnis-Clark	<u>Acting</u> Deputy Director of Legal Affairs	_____
Kelly A. Rose	Chief Housing Solutions <u>Operating</u> Officer	_____
Jeffrey J. Sykes	Chief Financial Officer	_____
<u>Anthony Lentych</u>		
Kelly A. Rose	Acting Chief Housing Investment Officer	_____

Teena Briggs Manager of Audit, Single
Family and Multi-Family
Mortgage Servicing _____

Cisco Potts Senior Account Analyst _____

Jason Fedewa Deputy Director of Finance _____

IN WITNESS WHEREOF, I have hereunto set my hand as Chair of the Michigan State Housing
Development Authority and the seal of the Authority this ~~_____15~~ day of ~~April 2023~~February 2024.

Susan Corbin, Chair

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MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

**AMENDED AND RESTATED
RESOLUTION DESIGNATING BANK ACCOUNTS AND AUTHORIZING
OFFICERS AS TO REQUISITION AND INVESTMENT OF FUNDS**

February 15, 2024

WHEREAS, the Michigan State Housing Development Authority (hereinafter referred to as the "Authority"), pursuant to Act No. 346 of the Public Acts of 1966 of the State of Michigan, as amended (hereinafter referred to as the "Act"), is authorized to prescribe a system of accounts, designate Authorized Officers to make requisitions from such accounts, and to invest any funds held in reserve or sinking funds or any monies not required for immediate use or disbursement at the discretion of the Authority; and

WHEREAS, the Authority hereby wishes to formally prescribe its systems of accounts and to designate Authorized Officers to make requisitions from and to invest funds in such accounts; and

WHEREAS, the Authority hereby wishes to designate Authorized Officers for the purpose of entering into contracts on behalf of the Authority as to the custody, collection, securing, investment, and payment of any monies of the Authority and thereby to open and close the accounts of the Authority; and

WHEREAS, this resolution amends and supersedes all prior resolutions now in effect pertaining to the designation of bank accounts and Authorized Officers as to requisition and investment of funds and access to safe deposit boxes.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority as follows:

1. The following accounts be and they hereby are designated as the accounts of the Authority, and the following banks be and they hereby are designated as the depositories for the said accounts of the Authority:

<u>FUND NUMBER</u>	<u>ACCOUNT</u>	<u>BANK NAME</u>
35	Bank Proceeds Accounts - Home Improvement Program (2)	Comerica Bank
65-68	SF Remittance Accounts	U.S. Bank
70	Petty Cash Account	JP Morgan Chase

70	Housing Choice Voucher Program - Operating Expenses	Bank of America
70	Section 8 Family Self Sufficiency Operating Expenses	Bank of America
70	General Operating Account	JP Morgan Chase
70	Lock Box Depository Account	JP Morgan Chase
70	Affordable Housing Tax Credit Gap Financing Account	JP Morgan Chase
75	Capital Reserve Capital Account	US Bank
80	Escrow Account for Mortgagors - Multi-Family	JP Morgan Chase
80	Escrow Account for Mortgagors - Multi-Family – HUD Projects	JP Morgan Chase
80	Escrow Account For Mortgagors - Multi-Family	U.S. Bank
80	Escrow Account For Mortgagors - Single Family	U.S. Bank
95	Home Program Account	First Independence National Bank
95	Mainstream 5	Bank of America
95	Section 8 Housing CHOICE Voucher Program Account	Bank of America
95	Section 8 Family Self Sufficiency Escrow Account	Bank of America
95	Section 8 Moderate Rehabilitation Housing Program Account	JP Morgan Chase
95	Contract Administration	JP Morgan Chase
95	Section 8 New Construction Housing Program Account	JP Morgan Chase
95	Section 8 Housing Voucher Program Account	JP Morgan Chase

95	Federal Program Depository	JP Morgan Chase
95	Section 811 Project Rental Assistance Demonstration Program	JP Morgan Chase
95	MI-HOPE Program Account	JP Morgan Chase
95	Missing Middle Program Account	JP Morgan Chase
95	Housing and Community Development Fund Account	JP Morgan Chase
95	CARES Admin Account	Bank of America
95	Homeowner Assistance Fund	JP Morgan Chase
95	Emergency Rental Assistance Program	JP Morgan Chase
150-166	Single Family Homeownership Revenue Bonds	U.S. Bank
180	Mortgage Backed Security (MBS) Program	U.S. Bank
200-399	Single Family Mortgage Revenue Bonds - Trustee Accounts	U.S. Bank
400-599	Rental Housing Revenue Bonds Disbursement Account and Trustee Accounts	U.S. Bank

2. The Chief Executive Officer and Executive Director, the Chief of Staff, the Chief Housing Investment Officer, the Director of Legal Affairs, the Deputy Director of Legal Affairs, the Chief Operating Officer, the Deputy Director of Finance, and the Chief Financial Officer, together with any person duly appointed and acting in such capacity or any of them, be and they hereby are designated Authorized Officers of the Authority for the purpose of giving investment directions for the funds on deposit in and to open and close the aforementioned accounts of the Authority which may include as sub-accounts savings accounts and other time deposits evidenced by Certificate, Receipt, Passbook or otherwise as they, or any of them may determine to be necessary or desirable, within the limitations imposed on the investment of such funds by the terms of the Act and the resolutions of the Authority. In addition, the foregoing authorized officials are also authorized to purchase Certificates of Deposit from any other bank approved by the State Treasurer provided the Certificates are fully collateralized by obligations of this State or the United States or by obligations

guaranteed by this State or the United States or by other obligations as may be approved by the State Treasurer. The Chief Executive Officer and Executive Director is further authorized to designate employees of the Authority who may give telephonic orders to banks to transfer funds from any Authority account and to give telephonic orders to purchase and sell Authority investments. All telephonic orders must be immediately followed up with either a written confirmation with each such confirmation signed as provided in this Section 2 or Section 4 hereof or with a written statement of such transfer signed as provided in this Section 2 or Section 4 hereof and filed in the accounting records of the Authority.

3. The aforementioned depositories of the aforementioned accounts be, and they hereby are authorized and directed to accept, in accordance with their rules and regulations from time to time in effect, for credit to the aforementioned accounts of the Authority, any and all checks, drafts and other negotiable instruments when endorsed in the name of the Authority in writing, by rubber stamp or otherwise with or without a designation of the party making such endorsement.
4. (a) Any and all funds standing to the credit of the Authority in any of the aforementioned accounts, except for the Petty Cash Account and other time deposits may be paid out or withdrawn upon checks drawn against the respective accounts when signed in the name of the Authority by two (2) of the following persons who are hereby designated Authorized Officers of the Authority for this purpose:

<u>NAME</u>	<u>TITLE</u>
Amy Hovey	Chief Executive Officer and Executive Director
Anthony Lentych	Chief Housing Investment Officer
Clarence L. Stone, Jr.	Director of Legal Affairs
Geoffrey Ehnis-Clark	Acting Deputy Director of Legal Affairs
Kelly A. Rose	Chief Operating Officer
Jeffrey J. Sykes	Chief Financial Officer
Jason Fedewa	Deputy Director of Finance

The aforementioned depositories of the aforementioned accounts be, and they hereby are authorized and directed to honor and pay any and all checks signed as provided above.

(b) The Chief Executive Officer and Executive Director is authorized to enter into Transfer Agreements between the Authority and any of the depositories of Authority funds for the transfer of such funds by telephonic advance by any employee of the Authority designated by the Chief Executive Officer and Executive Director. Such transfers shall be promptly confirmed in writing or by a written statement of such transfers that shall be filed in the accounting records of the Authority. Such confirmation or written statement shall be signed by any two of the above designated Authorized Officers, unless such transfer is being made to any other of the aforementioned accounts or to an approved servicer or originator under the Single Family or Home Improvement Programs, in which case such transfer may be so confirmed by any one of the above designated Authorized officers. If any bank shall require a telephonic confirmation of any transfer, any of the individuals named in 4(a) may provide such confirmation or may designate Teena Briggs, Manager of Audit, Single Family and Multi-

Family Mortgage Servicing; or Jeffrey J. Sykes, Chief Financial Officer, to provide such confirmation.

(c) Any and all funds standing to the credit of the Authority in the Petty Cash Account may be paid out or withdrawn upon checks, which are not in excess of \$100.00 drawn against such account when signed in the name of the Authority by any one (1) of the following persons who are hereby designated Authorized Officers of the Authority for this purpose:

<u>NAME</u>	<u>TITLE</u>
Amy Hovey	Chief Executive Officer and Executive Director
Clarence L. Stone, Jr.	Director of Legal Affairs
Geoffrey Ehnis-Clark	Acting Deputy Director of Legal Affairs
Teena Briggs	Manager of Audit, Single Family and Multi-Family Mortgage Servicing
Jeffrey J. Sykes	Chief Financial Officer
Anthony Lentych	Chief Housing Investment Officer
Jason Fedewa	Deputy Director of Finance

The depository of the Petty Cash Account be, and it hereby is authorized and directed to honor and pay any and all checks up \$100.00 signed as provided above. Access to the safe deposit boxes of the Authority in the vaults of JP Morgan Chase Bank and Comerica Bank, shall be had by any one (1) of the following persons who are hereby designated Authorized Officers of the Authority for this purpose:

<u>NAME</u>	<u>TITLE</u>
Jeffrey J. Sykes	Chief Financial Officer
Teena Briggs	Manager of Audit, Single Family and Multi-Family Mortgage Servicing
Cisco Potts	Senior Account Analyst
Jason Fedewa	Deputy Director of Finance

The aforementioned Authorized Officers are likewise authorized to surrender and exchange any one or all of the safe deposit boxes of the Authority at any time. JP Morgan Chase Bank, shall be entitled to rely on the right of access hereby given until it receives a written notification from the Authority of any change or revocation of the right of access, notwithstanding that this authority may have been otherwise revoked by the Authority or by operation of law.

5. The Authority from time to time may change the persons whose signatures may be honored in connection with the foregoing accounts and safe deposit boxes of the Authority by Resolution and shall thereafter notify such aforementioned depositories and the State Treasurer of such changes. The foregoing Resolution shall remain in full force and effect until written notice of its amendment or rescission shall have been received by such aforementioned depositories, and receipt of such notice shall not affect any action taken by such aforementioned depositories prior thereto. The Chairperson or the Chief Executive Officer and Executive Director of the Authority are hereby authorized and directed to certify

this Resolution to such aforementioned depositories.

6. This Resolution shall take effect on February 15, 2024.

I, Susan Corbin, hereby certify that I am the Chair of the Michigan State Housing Development Authority and that the foregoing is a true and exact copy of a Resolution duly adopted by the Authority at a duly convened meeting thereof held on February 15, 2024. I further certify that the true signatures of the signatories authorized to sign on the accounts referred to in the foregoing Resolution appear below.

<u>Name</u>	<u>Title</u>	
Amy Hovey	Chief Executive Officer and Executive Director	_____
Anthony Lentych	Chief Housing Investment Officer	_____
Clarence L. Stone, Jr.	Director of Legal Affairs	_____
Geoffrey Ehnis-Clark	Acting Deputy Director of Legal Affairs	_____
Kelly A. Rose	Chief Operating Officer	_____
Jeffrey J. Sykes	Chief Financial Officer	_____
Teena Briggs	Manager of Audit, Single Family and Multi-Family Mortgage Servicing	_____
Cisco Potts	Senior Account Analyst	_____
Jason Fedewa	Deputy Director of Finance	_____

IN WITNESS WHEREOF, I have hereunto set my hand as Chair of the Michigan State Housing Development Authority and the seal of the Authority this 15 day of February 2024.

Susan Corbin, Chair



M E M O R A N D U M

TO: Authority Members

FROM: Amy Hovey, Chief Executive Officer and Executive Director *Amy Hovey*

DATE: February 15, 2024

RE: Appointment of board members to the Michigan Homeowners Assistance Nonprofit Housing Corporation

RECOMMENDATION:

I recommend that the Michigan State Housing Development Authority (the “Authority”) approve the appointment of the following Authority staff persons to the board of directors of the Michigan Homeowners Assistance Nonprofit Housing Corporation (the “MHA”) as set forth in the accompanying Resolution: Amy Hovey, Timothy Klont, Tonya Coon, Tiffany King, and Geoffrey Ehnis-Clark.

EXECUTIVE SUMMARY:

At its April 28, 2010, meeting the Authority ratified the creation of the MHA. In June 2010, the Authority and the MHA entered into an agreement with the U.S. Department of the Treasury to develop and implement innovative housing initiatives tailored to Michigan’s local conditions to help prevent foreclosures and stabilize housing markets. The MHA applied for and was granted 501(c)(3) status by the U.S. Department of Treasury (the “Treasury”) and has historically been used to administer Treasury’s Hardest Hit Fund program, which provided target aid to families affected by the 2008-2010 housing market downturn. The Hardest Hit Fund program ended at year-end 2020, and after winding down, the MHA has been effectively dormant for some time.

The Authority may continue to employ the MHA for a spectrum of potential projects related to meeting the goals and objectives of the Statewide Housing Plan, including exploring creative lending and grant programs, exploring novel and creative private/public partnerships, and applying for federal technical assistance and pilot programs the Authority is otherwise unable to pursue.

According to the bylaws of the MHA, the affairs and property of the MHA are to be managed by a board of directors consisting of five directors appointed by the Authority. Because of the dormancy of the MHA, in order to begin actively pursuing new opportunities for the MHA, it is necessary to appoint a new board to be populated by current Authority staff at this time.

ADVANCING THE AUTHORITY’S MISSION:

The Statewide Housing Plan calls for “enhancing collaboration among the many organizations that make up the housing ecosystem” and identifies “state and regional nonprofits” as key entities among the government, industry, and service sectors. “The Statewide Housing Plan calls on the entire housing ecosystem working collaboratively to make the vision a reality.” Appointing an active board of directors for the MHA empowers the Authority to explore new, additional, and innovative partnerships and efforts.

COMMUNITY ENGAGEMENT/IMPACT:

Not applicable at this time.

ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:

Redeployment of the MHA makes use of an existing Authority resource, an already fully formed, related, Michigan business entity, to explore new mechanisms for addressing Michigan housing needs.

DRAFT

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

**RESOLUTION AUTHORIZING APPOINTMENT OF DIRECTORS
TO THE MICHIGAN HOMEOWNER ASSISTANCE NONPROFIT HOUSING CORPORATION**

February 15, 2024

WHEREAS, in June of 2010, the Michigan State Housing Development Authority (the "Authority") ratified the creation of the Michigan Homeowner Assistance Nonprofit Housing Corporation (the "MHA"), in accordance with the provisions of Act No. 346 of the Public Acts of 1966 of the State of Michigan, as amended; and

WHEREAS, per the bylaws of the MHA, its board of directors is to consist of "5 directors appointed by" the Authority, and such directors serve until they resign, are removed by the Authority, or their successors are appointed by the Authority; and

WHEREAS, the Chief Executive Officer and Executive Director has recommended the appoint of the following persons, as described in the accompanying memorandum, and for the reasons set forth therein: Amy Hovey, Timothy Klont, Tonya Coon, Tiffany King, and Geoffrey Ehnis-Clark; and

WHEREAS, the Authority concurs in the recommendation of the Chief Executive Officer and Executive Director.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority that the following Authority staff members are appointed to the board of directors of the MHA, replacing all prior directors, in accordance with the provisions of the accompanying memorandum:

1. Amy Hovey
2. Timothy Klont
3. Tonya Coon
4. Tiffany King
5. Geoffrey Ehnis-Clark



MSHDA

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

M E M O R A N D U M

TO: Authority Members

FROM: Amy Hovey, Chief Executive Officer and Executive Director

DATE: February 15, 2024

RE: Resolution Authorizing Renewal of Professional Services Contract with Environmental Testing & Consulting, Inc

RECOMMENDATION:

I recommend that the Michigan State Housing Development Authority (the "Authority") authorize a one-year extension of the professional services contract with Environmental Testing & Consulting, Inc, for the additional cost of Twenty Thousand Dollars (\$20,000.00).

CONTRACT SUMMARY:

Name of Contractor:	Environmental Testing & Consulting, Inc
Amount of Contract:	\$60,000, including \$20,000.00 increase
Length of Contract:	3-Years
Extension Options:	Three, one-year periods
Request for Proposal Date:	April 28, 2021
Number of Bids Received:	Three
MSHDA Division Requesting the Contract:	Rental Assistance and Homeless Solutions (RAHS)

EXECUTIVE SUMMARY:

The Department of Housing and Urban Development ("HUD") regulations require the Authority to complete Environmental Investigations on Authority-assisted Housing Choice Voucher and Project-Based Voucher rental units. Specifically, HUD Public and Indian Housing notice 2017-13 requires, in part, that an Environmental Investigation must be completed for rental units built prior to 1978 receiving rental assistance and having occupants under the age of 6 with an elevated blood lead level equal to or greater than 5 micrograms/deciliter.

The contractor will serve as a certified Lead-Based Paint Risk Assessor conducting Environmental Investigations and Assessments for identified units and/or any common areas.

Impacted units will be identified by the Authority, in partnership with the Department of Health and Human Services Healthy Homes Program, in accordance with the Authority's Housing Choice Voucher Standard Operating Procedures.

The current Contractor has met all requirements of the contract. The Contractor has performed requested inspections and provided well prepared reports of lead hazards.

ADVANCING THE AUTHORITY'S MISSION AND COMMUNITY IMPACT/SUPPORT:

This contract supports the mission of ensuring contracted units are free of lead hazards. Lead inspections protect the at-risk population of children under six and their families from lead exposure.

ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:

None.

DRAFT

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

RESOLUTION AUTHORIZING AMENDMENT TO EXTEND CONTRACT WITH ENVIRONMENTAL TESTING AND CONSULTING, INC.

February 15, 2024

WHEREAS, on or about July 1, 2021 the Michigan State Housing Development Authority (the "Authority") entered into a three (3) year professional services contract (the "Contract") with Environmental Testing and Consulting, Inc, (the "Contractor") to provide lead testing and reporting for the Authority's Office of Rental Assistance and Homeless Solutions ("RAHS"); and

WHEREAS, the Contract will expire ending on June 30, 2024 and includes an option to extend the Contract for three one-year periods; and

WHEREAS, the RAHS continues to require the above-referenced testing and reports, and an extension will allow the Contractor to continue to provide these services at the additional cost of Twenty Thousand Dollars (\$20,000) for a total contract amount of Sixty Thousand Dollars (\$60,000); and

WHEREAS, for the reasons stated in the accompanying memorandum, the Chief Executive Officer and Executive Director recommends that the Authority authorize the execution of an Amendment to the Contract to extend the term from July 1, 2024 to June 30, 2025; and

WHEREAS, the Civil Service Commission has reviewed and approved the Authority's request for contractual services; and

WHEREAS, the Authority concurs in the recommendation of the Chief Executive Officer and Executive Director.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority that the Chief Executive Officer and Executive Director, the Director of Legal Affairs, the Chief Financial Officer, or any person duly acting in such capacity, each is hereby authorized to enter into an Amendment to the Contract with Environmental Testing and Consulting, Inc. that would extend the Contract's expiration date from June 30, 2024 to June 30, 2025 for the additional cost of Twenty Thousand Dollars (\$20,000) and total contract amount of Sixty Thousand Dollars (\$60,000).



M E M O R A N D U M

TO: Authority Members

FROM: Anthony Lentych, Chief Housing Investment Officer *Anthony Lentych*

DATE: February 15, 2024

RE: Placing Firms on the Prequalified Environmental Consultant Lists

RECOMMENDATION:

I recommend that the Board approve and make final the Group A, Group B, and Group B(p) firm selections detailed below.

EXECUTIVE SUMMARY:

On November 3, 2023, MSHDA's Rental Development Division issued a Request for Qualifications (RFQ) to environmental consulting firms. Selected firms will be placed on MSHDA's prequalified consultant list to provide "Group A" and/or "Group B" services:

Group A:

1. American Society for Testing and Materials (ASTM) Phase I and Phase II Environmental Site Assessments (ESAs), Phase III/IV remedial investigation and site clean-up, including, where appropriate, non-scope items per MSHDA 2016 Environmental Review Requirements incorporated and enclosed.
2. Baseline Environmental Assessments (BEAs).
3. Due Care Compliance analyses and regulatory approval (i.e., Response Activity Plans, Documentation of Due Care Compliance, and/or No Further Action letters).
4. Lead-based paint risk assessment and inspection services (current state certifications required).
5. NESHAP-compliant Asbestos Containing Material assessments (current state licensure required).
6. Technical Assistance relating to items #1-5, above.

Group B: Gathering data for and preparing National Environmental Protection Act (NEPA) study and statutory compliance report for compliance with HUD funded projects (24 CFR Part 58).

Also, a Probationary Group B status (Group B(p)) allows firms to apply for Group B work even though they may not yet have the full qualifications and experience to conduct this work independent of additional input from MSHDA. Probationary Group B(p) Consultants commit to NEPA training for staff. They will be limited to one NEPA report per project for each Rental Development NOFA funding round and after three rounds of satisfactory performance may request to be elevated to full Group B status.

The prequalified list is used by the Authority to select firms to perform Group A or Group B services for the Rental Development Division. Such work most commonly includes conducting Phase I and Phase II Environmental Site Assessments or NEPA Statutory Compliance reports. Sponsors and others within the development community also make use of the prequalified list to select firms to conduct their own environmental services for projects that come into the Rental Development Division. Sponsors are not limited to selecting firms on the prequalified list for Group A services. Any qualified firm may be chosen to conduct Group A-related services. However, for NEPA Statutory Compliance reports, sponsors must select a firm from the Group B/B(p) list.

Twenty-six (26) RFQ proposals were received in total, with 26 firms applying for Group A, 13 firms applying for Group B and 4 firms applying for Group B(p). Each proposal was scored by a three-person panel which consisted of members of the environmental review section staff. This process resulted in the following acceptable participants:

Group A Firm Name (17 total)
AKT Peerless
ASTI Environmental
Environmental Consulting & Technology
Environmental Consulting Solutions
Fishbeck Environmental
GEI
Geosyntec
Grand Environmental
Hamp, Mathews, and Associates
Mannik & Smith Group
McDowell and Associates
Otwell Mawby
NTH Consultants
PM Environmental
SES Environmental
Soil & Materials Engineers, Inc.
Tri-Terra Environmental

Group B Firm Name (10 total)
AKT Peerless
ASTI Environmental
Environmental Consulting Solution
Fishbeck Environmental
GEI
Grand Environmental
Mannik & Smith Group
PM Environmental
SES Environmental
TriTerra Environmental

Group B(p) Firm Name (2 total)
McDowell and Associates
Soil & Materials Engineers, Inc.

Issues, Policy Considerations, and Related Actions:

None.

DRAFT

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

**RESOLUTION AUTHORIZING
PREQUALIFIED ENVIRONMENTAL CONSULTANTS**

February 15, 2024

WHEREAS, the Michigan State Housing Development Authority (the "Authority") has received the Chief Housing Investment Officer's memorandum regarding the need to select prequalified consultants to provide environmental services; and

WHEREAS, the Chief Housing Investment Officer has recommended that the Authority approve the selected firms set forth in the accompanying memorandum; and

WHEREAS, the Authority concurs in the recommendation of the Chief Housing Investment Officer and hereby determines that the selection of prequalified environmental firms is necessary to fulfill the Authority's environmental review responsibilities for its multifamily housing programs.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority that the selection of the prequalified firms set forth in the accompanying memorandum is hereby approved, and the Authority's Environmental Review Officer is hereby authorized to engage the selected firms to perform the environmental services described in the memorandum.




MSHDA

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

M E M O R A N D U M

TO: Authority Members

FROM: Amy Hovey, Chief Executive Officer and Executive Director 

DATE: February 15, 2024

RE: Delegated Action to Executive Director to Dispose of and Convey Parcels Valued at \$100,000 or Less on Behalf of the Authority

RECOMMENDATION:

I recommend that the Michigan State Housing Development Authority (the, "Authority") adopt a resolution authorizing the Executive Director the delegated authority to sell, assign, exchange, transfer, convey, lease, or otherwise dispose of, for public use, without further Authority action, any interest in Authority owned real property valued at \$100,000 or less, and further that all actions undertaken pursuant to this authorization be reported quarterly to the Authority.

EXECUTIVE SUMMARY:

From time to time, small parcels of real property are acquired by or transferred to the Authority. For example, in 2002, pursuant to Public Act 451 of 1994, as amended, the Michigan Department of Natural Resources conveyed for public use several small lots around the greater Detroit area to the Authority. These parcels typically are individual, scattered sites of small lots of nominal market value. Because they are subject to public use deed restrictions, the potential for redevelopment is very low, and interest in such sites tends to come from community organizations for use as parks or community gardens.

Section 22(l) of the Act grants the Authority the power to "sell, assign, exchange, transfer, convey, lease, mortgage, or otherwise dispose of" any interest in real property. Section 21(6) of the Act grants that the Authority "may delegate to 1 or more agents or employees those powers or duties as the [A]uthority considers proper." Previously, via a standing Delegated Action Memorandum, the Authority delegated authority to the Executive Director to act on behalf of the Authority in areas including of grant making, and multi-family loans of less than \$250,000. Granting the Chief Executive Officer - Executive Director delegated authority to sell, assign, exchange, transfer, convey, lease, or otherwise dispose of for public use any interest in Authority owned parcels

valued at \$100,000 or less, is in the same spirit of efficient Authority action. All action taken pursuant to this delegation will be reported to the Authority on a quarterly basis.

ADVANCING THE AUTHORITY'S MISSION:

Conveying these nominally valued, Authority owned parcels through delegated powers supports the Authority's mission, vision, and principles through efficient collaboration with local partners to improve Michigan communities by putting idle land back into a productive, suitable public purpose.

ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:

The proposed delegation is consistent with the Act and the intent of the standing Delegation Action Memorandum.

DRAFT

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

RESOLUTION AUTHORIZING THE CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR TO TAKE ACTION ON BEHALF OF THE AUTHORITY TO DISPOSE OF AND CONVEY PARCELS VALUED AT \$100,000 OR LESS

February 15, 2024

WHEREAS, the Michigan State Housing Development Authority (the "Authority") has, from time to time, by rule and by resolution, authorized the Executive Director to take certain actions on behalf of the Authority; and

WHEREAS, Authority "Resolution Authorizing The Executive Director to Take Certain Actions on Behalf of The Authority", dated December 21, 1992, recognized that in certain areas "it would be expeditious for the Executive Director to have authority to act without prior action by the Authority"; and

WHEREAS, the Authority Act Section 125.1422(l) grants the Authority the power to "sell, assign, exchange, transfer, convey, lease, mortgage, or otherwise dispose of or encumber any interest in a leasehold or real or personal property."; and

WHEREAS, the Authority owns small parcels of real property each with an estimated value of less than One Hundred Thousand Dollars (\$100,000); and

WHEREAS, the Authority recognizes the public benefit of efficiently disposing of these small parcels for a suitable public use; and

WHEREAS, the Authority concurs in the recommendation of the Chief Executive Officer and Executive Director.

NOW THEREFORE, Be It Resolved by the Michigan State Housing Development Authority as follows:

1. Chief Executive Officer and Executive Director is hereby authorized to act on behalf of the Authority without formal action by the Authority in the circumstances set forth in the accompanying Memorandum.
2. Be it further resolved that all such actions undertaken pursuant to this authorization shall be quarterly reported to the Authority.



MSHDA

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

M E M O R A N D U M

TO: Authority Members

FROM: Amy Hovey, Chief Executive Officer and Executive Director *Amy Hovey*

DATE: February 15, 2024

RE: Issuance of the Single-Family Mortgage Revenue Bonds, 2024 Series A, B and C, and a Standby Bond Purchase Agreement for the 2024 Series C Bonds

RECOMMENDATION:

I am recommending that the Michigan State Housing Development Authority (the "Authority") Board approve the attached resolutions giving Authority staff the authorization to carry out the steps necessary to issue the Single-Family Mortgage Revenue Bonds, 2024 Series A, B and C (the "2024 Bonds").

Proceeds from the 2024 Bonds will fund mortgages at lower than current market rates and provide down payment assistance ("DPA") loans, making homeownership attainable to more Michigan residents. The homeowners who receive DPA loans will be required to take a free homeownership counseling course.

EXECUTIVE SUMMARY:

The Authority plans to issue \$427,705,000 of Single-Family Mortgage Revenue Bonds. Barclays Capital ("Barclays") is the book-running senior underwriter. The Authority will include other banks as co-managers and a selling group to improve the pricing. The 2024 Bonds are anticipated to be priced on February 27th and 28th, 2024. The Authority has worked closely with its financial advisor, Tim Rittenhouse of CSG Advisors, throughout the structuring of this financing. CSG Advisors created the indenture cash flows as well as the rating agency cash flows, and Barclays developed the 2024 Bond cash flows.

The 2024 Series A Bonds ("2024 A"), in the expected par amount of \$240,685,000, are being issued as tax-exempt, fixed rate, non-AMT uninsured debt. The 2024 A Bond proceeds will be used to fund the purchase of single-family mortgages (approximately \$214.6 million), DPA loans (approximately \$23.5 million) and the payment of the Service Release Fee (\$4.0 million). The remaining proceeds will be used to pay the cost of issuance (approx. \$2.1 million).

The Authority anticipates issuing one or more of the 2024 A term bonds at a premium, raising about \$13.0 million.

The capital reserve requirement will be met by a \$9.5 million deposit to the Capital Reserve Fund.

The 2024 Series B Bonds (“2024 B”), in the expected par amount of \$137,020,000, are being issued as taxable fixed rate uninsured debt. The bond proceeds will be used to fund the purchase of single-family mortgages (approx. \$128.4 million), and the payment of the Service Release Fee (\$2.2 million). The remaining proceeds will be used to pay the cost of issuance (approx. \$1.3 million).

The capital reserve requirement will be met by a \$5.1 million deposit to the Capital Reserve Fund.

The 2024 Series C Bonds (“2024 C”), in the expected par amount of \$50,000,000, are being issued as taxable, uninsured, variable rate demand obligations (“VRDOs”). The bond proceeds will be used to fund the purchase of single-family mortgages (approx. \$47.1 million), and the payment of the Service Release Fee (approx. \$801,000). The remaining proceeds will be used to pay the cost of issuance (approx. \$187,000).

The capital reserve requirement will be met by a \$1.9 million deposit to the Capital Reserve Fund.

The 2024 C Bonds are being issued as VRDOs. This product is designed to appeal to institutions and money market funds that require a “put” option. The “put” option gives investors the ability to liquidate their investments, even in the event that they cannot find new investors, which is typically referred to as a “failed remarketing”. Being that the Authority used the bond proceeds to originate mortgages and no longer has the funds “on hand”, the Authority will enter into a Standby Bond Purchase Agreement (“Liquidity Facility”) with the Federal Home Loan Bank of Indianapolis (“FHLBI”). If there is a failed remarketing, the FHLBI will step in and become the bond holder/investor. The Authority has negotiated a Liquidity Facility with an annual fee of 20 basis points (“bps”) for five years.

ADVANCING THE AUTHORITY’S MISSION:

Issuing Single-Family Mortgage Revenue Bonds enables the Authority to fund its strategic goal of supporting access to homeownership opportunities. These loans provide low- and moderate-income persons direct access to homeownership. The Authority also provides training to borrowers for successful homeownership, by requiring homeownership counseling at no cost to the borrowers. To support communities and avoid conflicts of interest, the Authority uses nonprofit agencies as homeownership counselors.

COMMUNITY IMPACT:

Communities throughout Michigan are impacted by the Authority providing low- and moderate-income persons access to affordable single family mortgage loans, DPA loans, and homeownership counseling.

ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:

None.

DRAFT

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
SERIES RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF
SINGLE-FAMILY MORTGAGE REVENUE BONDS, 2024 SERIES A
IN AN AMOUNT NOT TO EXCEED \$350,000,000**

February 15, 2024

WHEREAS, the Members of the Michigan State Housing Development Authority (hereinafter referred to as the “Authority”), by Resolution adopted December 17, 1987, and as supplemented on January 28, 1988, October 12, 1995, January 30, 1997, May 24, 2006 and September 26, 2018 (hereinafter referred to as the “General Resolution”), have authorized the issuance of Single-Family Mortgage Revenue Bonds in one or more Series pursuant to a Series Resolution authorizing the issuance and sale of any such Series; and

WHEREAS, the Members of the Authority have determined that it is necessary and desirable that the Authority issue at this time a Series of Bonds to be designated “Single-Family Mortgage Revenue Bonds, 2024 Series A” to provide moneys to carry out the purposes of the Authority; and

WHEREAS, pursuant to Section 27(l) of the Act, the Authority proposes to delegate to the Chief Executive Officer and Executive Director, the Chief Financial Officer, the Deputy Director of Finance, the Director of Legal Affairs, the Deputy Director of Legal Affairs, the Chairperson or the Vice Chairperson of the Authority or any person duly authorized to act in any of the foregoing capacities (each, together with any person duly appointed and acting in such capacity, hereinafter individually referred to as an “Authorized Representative”) the power to determine certain terms and conditions of the 2024 Series A Bonds (as hereinafter defined), subject to limits established herein and in the General Resolution.

NOW, THEREFORE, BE IT RESOLVED by the Members of the Authority as follows:

**ARTICLE I
AUTHORITY AND DEFINITIONS**

101. 2024 Series A Resolution. This resolution (hereinafter referred to as the “2024 Series A Resolution”) is adopted in accordance with the provisions of Article II of the General Resolution and pursuant to the authority contained in the Act.

102. Definitions.

All terms which are defined in Sections 103 and 104 of Article I of the General Resolution have the same meanings in this 2024 Series A Resolution including the preambles hereto.

“2003 Series B Resolution” means the resolution of the Authority authorizing the issuance and sale of its Single-Family Mortgage Revenue Bonds, 2003 Series B.

“2024 Series A Bonds” means the Bonds authorized by Article II of this 2024 Series A Resolution.

“2024 Series A Down Payment Assistance Loan Principal Prepayments” means any payment by a mortgagor or other recovery of principal on a 2024 Series A Down Payment Assistance Loan which is not applied on a scheduled installment of principal and interest on a 2024 Series A Down Payment Assistance Loan (including any deficiency in the payment of any scheduled installments of principal and interest then due and payable or interest paid in connection with a voluntary prepayment of a 2024 Series A Down Payment Assistance Loan) and the portion of any amounts received in connection with the liquidation of a defaulted 2024 Series A Down Payment Assistance Loan (whether through foreclosure, trustee’s sale or otherwise) or other payments representing such principal amounts, including payments from the sale of a 2024 Series A Down Payment Assistance Loan.

“2024 Series A Down Payment Assistance Loans” means (i) any loan financed or acquired with amounts received in connection with the issuance of the 2024 Series A Bonds or with other amounts made available by the Authority in respect of the 2024 Series A Bonds and deposited in the Down Payment Assistance Fund and pledged hereunder by the Authority in accordance with the Act, evidenced by a mortgage note and secured by a mortgage and (ii) any instrument evidencing an ownership interest in such loans.

“2024 Series A Mortgage Loans” means all Mortgage Loans or portions of Mortgage Loans financed or acquired from the proceeds of or allocable to the 2024 Series A Bonds.

“Agent Member” means a member of, or participant in, the Securities Depository.

“Capital Appreciation Bonds” means the 2024 Series A Bonds, if any, which are authorized as Capital Appreciation Bonds pursuant to Section 203 hereof, which do not provide for current interest payments and which are hereby designated Deferred Interest Bonds.

“Cede & Co.” means Cede & Co., the nominee of DTC, or any successor nominee of DTC with respect to the 2024 Series A Bonds.

“Closing Date” means the date on which the 2024 Series A Bonds are issued and delivered to the Purchasers, or designee(s), in exchange for payment by the Purchasers therefor.

“Down Payment Assistance Fund” means the Fund established pursuant to Article III of the 2003 Series B Resolution.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“Letter(s) of Credit” means one or more unconditional irrevocable letters of credit issued by a domestic or foreign bank which qualifies as a Cash Equivalent under the General Resolution, and which provides for a draw down in the full amount upon its expiration date at the option of the Authority in the absence of a renewal of such Letter(s) of Credit or if the Authority does not deliver to the Trustee a replacement Letter(s) of Credit.

“Loan Loss Fund” means the Loan Loss Fund established pursuant to the Loan Loss Fund Resolution.

“Loan Loss Fund Resolution” means the Authority’s Resolution Establishing Single-Family Loan Loss Fund adopted July 8, 1988, as supplemented on June 1, 1989 and April 30, 1997.

“1986 Code” means the Internal Revenue Code of 1986, as amended from time to time. Each reference to a section of the 1986 Code herein shall be deemed to include the United States Treasury Regulations proposed or in effect thereunder and applicable to the 2024 Series A Bonds or the use of proceeds thereof, and also includes all amendments and successor provisions unless the context clearly requires otherwise.

“Purchase Contract” means, the contract of purchase between the Authority and the Underwriters with respect to the 2024 Series A Bonds.

“Purchasers” means the Underwriters.

“Representation Letter” means the blanket agreement of the Authority and the Trustee to comply with the operational arrangements of DTC and any similar agreement with respect to a successor Securities Depository.

“Rule” means Rule 15c2-12 promulgated by the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, § 240.15c2-12).

“Securities Depository” means DTC and its successors and assigns or if (i) the then-Securities Depository resigns from its functions as depository of the 2024 Series A Bonds or (ii) the Authority discontinues use of the then-Securities Depository pursuant to Section 403(c), any other securities depository which agrees to follow the procedures required to be followed by a securities depository in connection with the 2024 Series A Bonds and which is selected by the Authority.

“Serial Bonds” means the 2024 Series A Bonds, if any, which are authorized as Serial Bonds pursuant to Section 203 hereof.

“Super Sinker Bonds” means the 2024 Series A Bonds, if any, which are designated as Super Sinker Bonds in the Purchase Contract pursuant to Section 206(d) of this 2024 Series A Resolution.

“Surety Bond(s)” or “Surety” means one or more unconditional and irrevocable surety bonds issued by a domestic or foreign insurance company which (i) qualifies as a Cash Equivalent under the General Resolution, (ii) guarantees certain payments into the Capital Reserve Fund with respect to the Bonds as provided therein and subject to the limitations set forth therein, and (iii) is not subject to cancellation.

“Term Bonds” means the 2024 Series A Bonds, if any, which are authorized as Term Bonds pursuant to Section 203 hereof and which shall be subject to Sinking Fund Requirements as set forth in the Purchase Contract.

“Underwriters” means, collectively, Barclays Capital Inc. and such other underwriters as may be named in the Purchase Contract.

ARTICLE II AUTHORIZATION OF 2024 SERIES A BONDS

201. Principal Amount, Designation and Series. A Series of Bonds is hereby authorized to be issued and sold, pursuant to the provisions of the General Resolution in an aggregate original principal amount of not to exceed \$350,000,000, as established pursuant to Section 203 hereof. Such Series of Bonds shall be designated as “Single-Family Mortgage Revenue Bonds, 2024 Series A”.

202. Purposes. The purposes for which the 2024 Series A Bonds are being issued are (i) the financing and purchasing of Mortgage Loans, including payment of certain Mortgage Loan origination costs; (ii) if required to satisfy the Capital Reserve Fund Requirement, the making of a deposit to the Capital Reserve Fund in respect of the 2024 Series A Bonds, except to the extent the Authority obtains and pledges to the Capital Reserve Fund Letter(s) of Credit and/or Surety Bond(s) which may be drawn upon or called upon for payment, as applicable, for the purposes of the Capital Reserve Fund; (iii) the making of a deposit to the Down Payment Assistance Fund in respect of the 2024 Series A Bonds, to the extent provided for in the Purchase Contract; and (iv) paying the costs of issuance of the 2024 Series A Bonds, to the extent provided for in the Purchase Contract.

203. Interest Rates, Principal Amounts and Maturity Dates. The 2024 Series A Bonds shall be dated and shall be issued on or before April 30, 2024, as approved by an Authorized Representative. The 2024 Series A Bonds shall be issued either as current interest bearing Bonds or as Capital Appreciation Bonds, or any combination thereof, as determined by an Authorized Representative. The 2024 Series A Bonds, other than Capital Appreciation Bonds, if any, shall bear interest from the date thereof to their maturity or prior redemption, such interest to be payable on June 1 and December 1 of each year, commencing June 1, 2024, or such other date as may be set forth in the Purchase Contract. Interest shall be calculated on the basis of a three hundred sixty (360) day year consisting of twelve (12) thirty (30) day months. Capital Appreciation Bonds, if any, shall not bear interest (except that the extent of the difference between the Original Principal Amount and the Appreciated Amount may be construed to be interest) prior to or on the date of maturity. In the event the Appreciated Amount is not paid or deemed to be paid by the Authority on the date when due by reason of maturity, such Capital Appreciation Bond shall bear interest on such Appreciated Amount from such date at the rate per annum equal to the approximate yield for such

Capital Appreciation Bond, as set forth in the Purchase Contract, until such Appreciated Amount is paid or deemed to be paid by the Authority. The Appreciated Amount of each Capital Appreciation Bond as of any June 1 or December 1 shall be determined by dividing the Principal Amount if Held to Maturity on the face thereof by Five Thousand Dollars (\$5,000) and multiplying the result thereof by the applicable amount set forth in the Purchase Contract.

Interest on the 2024 Series A Bonds shall be paid by the Trustee on each interest payment date to the person appearing on the registration books of the Authority maintained by the Trustee or its designee, as the registered owner of such 2024 Series A Bonds on the fifteenth (15th) day of the month preceding the interest payment date by check mailed to the registered owner at the address as it appears on the registration books, or to the designee, at the address of such designee.

The 2024 Series A Bonds may be issued in whole or in part as Serial Bonds which shall mature on June 1 and/or December 1 in the years and principal amounts and bear interest, in the case of 2024 Series A Bonds other than Capital Appreciation Bonds, or be issued in the Original Aggregate Principal Amounts, in the case of Capital Appreciation Bonds, as approved by an Authorized Representative. The principal amounts of the Serial Bonds, if any, the designation as current interest bearing Bonds or Capital Appreciation Bonds, the maturities, rates of interest and Original Aggregate Principal Amounts, as applicable, shall be set forth in the Purchase Contract, and the approval of such principal amounts, designation as current interest bearing Bonds or Capital Appreciation Bonds, maturities, rates of interest, and Original Aggregate Principal Amounts, as applicable, of the Serial Bonds shall be evidenced by the execution of the Purchase Contract by the Authority.

The 2024 Series A Bonds may also be issued in whole or in part as Term Bonds which shall mature on June 1 and/or December 1 in the years and principal amounts and bear interest, in the case of 2024 Series A Bonds other than Capital Appreciation Bonds, or be issued in the Original Aggregate Principal Amounts, in the case of Capital Appreciation Bonds, as approved by an Authorized Representative. The principal amounts of the Term Bonds, if any, the designation of current interest bearing Bonds or Capital Appreciation Bonds, the maturities, rates of interest and Original Aggregate Principal Amounts, as applicable, shall be set forth in the Purchase Contract, and the approval of the principal amounts, designation as current interest bearing Bonds or Capital Appreciation Bonds, maturities, rates of interest and Original Aggregate Principal Amounts, as applicable, of the Term Bonds shall be evidenced by the execution of the Purchase Contract by the Authority.

The purchase price of the 2024 Series A Bonds and the compensation to be paid to the Underwriters with respect to the 2024 Series A Bonds shall be as approved by an Authorized Representative and shall be set forth in the Purchase Contract, and the approval of such purchase price and compensation shall be evidenced by the execution of the Purchase Contract by the Authority.

In making the determination with respect to interest rates, the Original Aggregate Principal Amounts of Capital Appreciation Bonds, designations as Serial Bonds or Term Bonds, Capital Appreciation Bonds and the maturities of the 2024 Series A Bonds, and with respect to the compensation to be paid to the Purchasers, the purchase price of the 2024 Series A Bonds and certain other matters, the Authorized Representative making such determinations shall be limited as follows:

(a) The rate of interest on any 2024 Series A Bond shall not exceed eight percent (8.00%) per annum, unless such bond is initially sold to the Purchasers at a price in excess of the par amount thereof, in which case the yield on any such 2024 Series A Bond shall not exceed eight percent (8.00%) per annum;

(b) The compensation to be paid to the Underwriters shall not be more than one percent (1.00%) of the original principal amount of the 2024 Series A Bonds;

(c) The schedule of maturities and the amount of each maturity for the 2024 Series A Bonds, taking into account the Sinking Fund Requirements, if any, established pursuant to Section 205 hereof, shall be established in a manner that will permit the Authorized Representative to file the Cash Flow Statement required by Section 608 of the General Resolution;

(d) The final maturity of the 2024 Series A Bonds shall not be later than June 1, 2057;

(e) The maximum amount of scheduled principal payments (adjusted for any previously scheduled Sinking Fund Requirements) and Sinking Fund Requirements due with respect to the 2024 Series A Bonds on any June 1 or December 1, excluding the accretion of any Capital Appreciation Bonds, shall not exceed Eighty-One Million Two Hundred Forty-five thousand Dollars (\$81,245,000);

(f) The proceeds of the 2024 Series A Bonds credited to the Down Payment Assistance Fund shall not exceed fifteen percent (15%) of the original principal amount of the 2024 Series A Bonds; and

(g) The Authority shall not sell the 2024 Series A Bonds to the Purchasers at a price of less than ninety-eight percent (98%) of the principal amount thereof, exclusive of any underwriter's discount.

204. Denominations, Numbers and Letters. The 2024 Series A Bonds, other than the Capital Appreciation Bonds, shall be issued as fully-registered bonds in the denominations of Five Thousand Dollars (\$5,000) or any integral multiple thereof not exceeding the aggregate principal amount for each maturity of such 2024 Series A Bonds. The Capital Appreciation Bonds shall be issued as fully-registered bonds in denominations which appreciate upon maturity to Five Thousand Dollars (\$5,000), as set forth in the Purchase Contract, or any integral multiple thereof. The 2024 Series A Bonds shall be numbered consecutively from 1 upwards, with such additional designations as shall be determined by an Authorized Representative.

205. Sinking Fund Redemption. The Term Bonds, if any, shall be subject to mandatory redemption in part on June 1 and/or December 1, at a Redemption Price equal to the principal amount thereof plus accrued interest to the date of redemption, in the case of 2024 Series A Bonds other than Capital Appreciation Bonds, and the Appreciated Amount thereof, in the case of Capital Appreciation Bonds, in such years and such amounts as shall be approved by an Authorized Representative, which approval shall be evidenced by the Sinking Fund Requirements set forth in the Purchase Contract executed by the Authority (subject to reduction as provided in the General Resolution).

206. Special Redemptions.

(a) The 2024 Series A Bonds are redeemable, at any time in whole or in part, at the option of the Authority (except to the extent that the Authority is required to redeem 2024 Series A Bonds as set forth in subsection (b) or (d) below), at a Redemption Price equal to the principal amount (or, in the case of redemptions pursuant to clause (i) of this Section 206(a), for 2024 Series A Bonds initially purchased by the Purchasers at a price in excess of the principal amount thereof, a price not greater than the price paid by the Purchasers for such 2024 Series A Bonds) plus accrued interest to the redemption date in the case of 2024 Series A Bonds other than Capital Appreciation Bonds, and at the Appreciated Amount thereof in the case of Capital Appreciation Bonds, in a principal amount not in excess of the total of (i) 2024 Series A Bond proceeds remaining uncommitted to the financing of Mortgage Loans or 2024 Series A Down Payment Assistance Loans; (ii) Principal Prepayments (including Principal Prepayments in respect of Mortgage Loans financed from other Series of Bonds issued under the General Resolution); (iii) 2024 Series A Down Payment Assistance Loan Principal Prepayments; and (iv) Revenues available for redemption pursuant to Section 403(e)(1) of the General Resolution.

(b) Unless the Authority shall obtain a Counsel's Opinion from nationally recognized bond counsel to the effect that the failure of the Authority to so redeem will not adversely affect the exclusion of interest on the 2024 Series A Bonds from gross income for Federal income tax purposes, the Authority (i) shall redeem 2024 Series A Bonds within the forty-two (42) month period beginning on the date of issuance thereof, from proceeds of the 2024 Series A Bonds allocated to the financing of 2024 Series A Mortgage Loans and 2024 Series A Down Payment Assistance Loans which have not been used for such financing (except for an amount which is less than Two Hundred Fifty Thousand Dollars (\$250,000)), and (ii) shall redeem or pay scheduled principal maturities of the 2024 Series A Bonds not later than the close of the first semiannual period beginning after the date of receipt, from all Principal Prepayments and regularly scheduled principal repayments received and derived from 2024 Series A Mortgage Loans and from all 2024 Series A Down Payment Assistance Loan Principal Prepayments and regularly scheduled principal repayments received and derived from 2024 Series A Down Payment Assistance Loans on and after the tenth (10th) anniversary of the date of issuance of the 2024 Series A Bonds.

(c) With respect to redemptions pursuant to subsections (a) and (b) above, the 2024 Series A Bonds to be redeemed shall be selected from the Outstanding maturities of the 2024 Series A Bonds on such basis as shall be determined by the Authority, except as may be otherwise designated in the Purchase Contract.

(d) The Authority may designate in the Purchase Contract one or more maturities of the 2024 Series A Bonds as Super Sinker Bonds. The Super Sinker Bonds, if any, shall be subject to mandatory redemption as provided in the Purchase Contract.

207. Optional Redemption. The 2024 Series A Bonds shall be subject to redemption at any time on or after the date established by an Authorized Representative in the Purchase Contract (which date shall not be earlier than December 1, 2029) at the option of the Authority in any order of maturity from any moneys available therefor in whole or in part by lot within a maturity at the applicable Redemption Prices (expressed as percentages of the principal amount thereof, in the case of 2024 Series A Bonds other than Capital Appreciation Bonds, and the Appreciated Amount thereof, in the case of Capital Appreciation Bonds) not to exceed one hundred five percent (105%) of the principal amount of the 2024 Series A Bonds so subject to optional redemption, on the dates of redemption, all as shall be established by an Authorized Representative in the Purchase Contract.

208. Conditional Notice of Optional Redemption and No Requirement to Have Funds on Hand. As provided for by Section 302 of the General Resolution, as may be supplemented as provided therein, and notwithstanding any provision in the General Resolution to the contrary, (i) the Authority shall not be required to have in the Redemption Fund, or otherwise available and set aside in the General Receipts Fund, an amount sufficient to effect the redemption of any 2024 Series A Bonds prior to the notice of optional redemption being sent by the Trustee, and (ii) any such notice of optional redemption of any 2024 Series A Bonds may, at the direction of an Authorized Representative, state that it is conditional in nature and may be rescinded at any time on or before the business day prior to the redemption date, together with the terms under which notice of any such rescission is to be provided to the Bondowners. If such notice is rescinded any such 2024 Series A Bonds that were subject to the notice of redemption shall remain Outstanding Bonds.

209. Sale of 2024 Series A Bonds. An Authorized Representative is authorized to negotiate, execute and deliver, on behalf of the Authority, the Purchase Contract, in substantially the form presented to this meeting, with such changes as an Authorized Representative deems necessary and desirable and not materially adverse to the Authority, for purchase of the 2024 Series A Bonds at the price(s) and with compensation to the Underwriters, all as set forth therein. Approval of the Purchase Contract, and the purchase price set forth therein, shall be evidenced by the execution of the Purchase Contract by an Authorized Representative.

210. Expenses. The Authority's Expenses with respect to the 2024 Series A Bonds for a Fiscal Year may not exceed an amount equal to one quarter of one percent (0.25%) of the greater of the aggregate principal amount of all Outstanding 2024 Series A Bonds or the aggregate principal amount of the outstanding 2024 Series A Mortgage Loans, all as of the first day of such Fiscal Year.

**ARTICLE III
REQUIREMENTS AND FUNDS**

301. Debt Reserve Requirement. (a) The Debt Reserve Requirement with respect to the 2024 Series A Bonds is hereby determined to be an amount equal to four percent (4%) of the sum of (i) the outstanding principal balance of 2024 Series A Mortgage Loans and 2024 Series A Down Payment Assistance Loans allocated to the 2024 Series A Bonds (except 2024 Series A Mortgage Loans underlying certificates of the Government National Mortgage Association or the Federal National Mortgage Association), (ii) the amount on deposit in the 2024 Series A Bond Proceeds Fund and allocated to the purchase or financing of 2024 Series A Mortgage Loans (except 2024 Series A Mortgage Loans underlying certificates of the Government National Mortgage Association or the Federal National Mortgage Association), and (iii) the amount on deposit in the Down Payment Assistance Fund allocated to the 2024 Series A Bonds and the financing of 2024 Series A Down Payment Assistance Loans. The deposits to the Capital Reserve Fund made and to be made pursuant to this 2024 Series A Resolution will be in the form of cash and Investment Obligations which may be used for the purposes of the Capital Reserve Fund; provided however, that the Authority may in lieu of or in replacement of or in addition to all or a portion of the deposits to the Capital Reserve Fund, obtain and pledge to the Capital Reserve Fund Letter(s) of Credit and/or Surety Bond(s), which Letter(s) of Credit or a portion thereof shall be exclusively available to be drawn on and which Surety Bond(s) or a portion thereof shall unconditionally and irrevocably guarantee payment for the purposes of the Capital Reserve Fund. Any moneys so replaced by Letter(s) of Credit and/or Surety Bond(s) or a portion thereof shall be withdrawn by the Trustee and deposited in the Bond Proceeds Fund. The amount of moneys on deposit in the Capital Reserve Fund, or the amount of Letter(s) of Credit pledged to and exclusively available to be drawn on or Surety Bond(s) pledged to unconditionally and irrevocably guarantee payment for the purposes of the Capital Reserve Fund which, when combined with any moneys on deposit therein, and any other Letter(s) of Credit pledged thereto and exclusively available to be drawn on or Surety Bond(s) which shall unconditionally and irrevocably guarantee payment for the purposes thereof, shall equal the Capital Reserve Fund Requirement.

(b) If at any time the Trustee is required by Section 407 of the General Resolution to transfer moneys from the Capital Reserve Fund to the Debt Service Fund, the Trustee shall make such transfer to the Debt Service Fund from any moneys which shall then be on deposit in the Capital Reserve Fund, and if the moneys in the Capital Reserve Fund are not sufficient to make up the deficiency in the Debt Service Fund, the Trustee shall make a draw under any Letter(s) of Credit or make a demand for payment under any Surety Bond(s) which may be pledged to the Capital Reserve Fund and deposit such proceeds to the Debt Service Fund to the extent of the deficiency in the Debt Service Fund.

302. The Loan Loss Fund.

(a) The repayment of the 2024 Series A Bonds shall be further secured by a pledge of the amounts on deposit in the Loan Loss Fund as created by the Loan Loss Fund Resolution. The 2024 Series A Resolution shall be deemed to be a Single-Family Bond Resolution for purposes of the Loan Loss Fund Resolution. The Loan Loss Fund Requirement with respect to the 2024 Series A Bonds shall be zero (\$0), and, accordingly, the Authority shall not be required to deposit any

moneys into the Loan Loss Fund prior to the disbursement of proceeds from the Bond Proceeds Fund for the financing of a 2024 Series A Mortgage Loan.

(b) If at any time moneys in the General Receipts Fund are not sufficient to permit the transfer of moneys to the Debt Service Fund required by Section 403 of the General Resolution, the Trustee shall make up such a deficiency first, by the withdrawal and transfer to the Debt Service Fund of money from any amounts which shall then be on deposit in the Loan Loss Fund, and if the amount in the Loan Loss Fund is not sufficient to make up such deficiencies, and second by a draw under any Letter(s) of Credit or a demand for payment under any Surety Bond(s) which may be pledged to the Loan Loss Fund and the deposit of such proceeds to the Debt Service Fund. Furthermore, in the event there shall be on any date on which an interest or principal payment (including any Sinking Fund Requirement) shall be due, a deficiency in the amounts in the Debt Service Fund to be applied to the payment of liquidity fees, interest or principal or a Redemption Price of the Bonds pursuant to Section 404(a) or (b) of the General Resolution but prior to any transfer to the Debt Service Fund from the Redemption Fund pursuant to Section 405 of the General Resolution or the Capital Reserve Fund pursuant to Section 406 of the General Resolution, the Trustee first shall make up such a deficiency by the withdrawal of moneys from the Loan Loss Fund and the transfer thereof to the Debt Service Fund, and second, if required, by a draw under any Letter(s) of Credit or a demand for payment under any Surety Bond(s) which may be pledged to the Loan Loss Fund and the transfer of such proceeds to the Debt Service Fund.

(c) Amounts on deposit in the Loan Loss Fund shall not be included in any calculation made in connection with any Cash Flow Statement or pursuant to Section 403(e)(3) of the General Resolution.

303. Deposits into Funds.

(a) The proceeds of the 2024 Series A Bonds shall be deposited into the Bond Proceeds Fund and shall be invested by the Trustee pursuant to instructions from the Authority only in Investment Obligations, which shall include, for purposes of this 2024 Series A Resolution, an investment agreement secured or unsecured as determined by an Authorized Representative, guaranteed by an institution whose debt securities are rated at least the then existing rating on the Bonds (or the highest rating of short-term obligations if the investment is a short-term obligation) by each Rating Agency. Proceeds of the 2024 Series A Bonds in an amount sufficient to satisfy the Capital Reserve Fund Requirement relating to the 2024 Series A Bonds shall be promptly transferred by the Trustee to the Capital Reserve Fund. In the event that the Authority shall elect to obtain and pledge to the Capital Reserve Fund Letter(s) of Credit and/or Surety Bond(s) in an amount sufficient to satisfy all or a portion of the Capital Reserve Fund Requirement in lieu of or in replacement of or in addition to the deposits to the Capital Reserve Fund, any moneys so replaced provided by 2024 Series A Bond proceeds shall be promptly withdrawn by the Trustee and paid to the Authority for deposit in the Bond Proceeds Fund. Proceeds of the 2024 Series A Bonds in an amount not to exceed the limitation set forth in this Resolution, and as set forth in the Purchase Contract, shall be promptly transferred by the Trustee to the Down Payment Assistance Fund.

(b) All moneys representing accrued interest on the 2024 Series A Bonds, if any, shall be deposited to the credit of the General Receipts Fund (to be applied to the payment of interest on the 2024 Series A Bonds on the first applicable interest payment date).

304. Tax Covenants.

(a) The Authority shall use the proceeds of the 2024 Series A Bonds in the manner which will comply with the requirements of the 1986 Code and other provisions of applicable federal income tax law. The Authority shall at all times perform all acts and things to the extent permitted by law and necessary and desirable in order to assure that interest paid on the 2024 Series A Bonds shall not be included in gross income for Federal income tax purposes, including compliance by the Authority with the notice requirements of Section 143(m)(7) of the 1986 Code unless the Authority shall obtain a Counsel's Opinion from nationally recognized bond counsel to the effect that the failure of the Authority to so comply with such notice requirements will not adversely affect the exclusion of interest on the 2024 Series A Bonds from gross income for Federal income tax purposes.

(b) The Authority shall pay such amounts to the United States of America at such times as is necessary to comply with Section 148(f) of the 1986 Code in respect of the 2024 Series A Bonds.

(c) The Authority further covenants and agrees that it will not take any action which will have the effect of causing interest on the 2024 Series A Bonds to become includable in gross income for Federal income tax purposes.

305. Series Program Determinations. Each newly originated 2024 Series A Mortgage Loan shall have the following terms, conditions, provisions and limitations:

(a) The promissory note for each 2024 Series A Mortgage Loan must be payable or endorsed to the Authority, and such 2024 Series A Mortgage Loan must (i) be originated in the name of the Authority, (ii) be assigned to the Authority, or (iii) be originated in the name of a nominee who shall register the Authority as the owner of a beneficial interest in such 2024 Series A Mortgage Loan, and such 2024 Series A Mortgage Loan must have a servicer that tracks servicing of such 2024 Series A Mortgage Loan pursuant to a written agreement with the Authority relating thereto;

(b) Each 2024 Series A Mortgage Loan (i) shall be for a term not exceeding thirty (30) years, (ii) shall have a rate or rates of interest fixed at the time of origination, and (iii) shall either have approximately equal monthly payments for each rate of interest borne by such 2024 Series A Mortgage Loan, or at the option of the Authority, shall have monthly payments that increase on a predetermined basis over the life of such 2024 Series A Mortgage Loan;

(c) Each 2024 Series A Mortgage Loan shall relate to a residence which shall be the principal residence of the mortgagor within a reasonable time after the closing of such 2024 Series A Mortgage Loan;

(d) Each 2024 Series A Mortgage Loan shall relate to a single-family residential structure or condominium unit;

(e) (1) Each 2024 Series A Mortgage Loan shall be insured under an insurance contract, or guaranteed under a guarantee agreement, requiring benefits to be paid to the Authority following default by the mortgagor in the payment of principal or interest on the 2024 Series A Mortgage Loan in an amount which, when combined with the down payment applicable to such 2024 Series A Mortgage Loan (irrespective of the source of funds therefor), is equal to an amount in excess of eighteen percent (18%) of the purchase price of the residence; provided, however, that any such insurance shall not be initially required or may be terminated when the principal balance of the 2024 Series A Mortgage Loan is eighty percent (80%) or less of the original purchase price of the residence; and

(2) If applicable law shall not permit the Authority, or if the Authority anticipates that applicable law will not permit it, to require a mortgagor under a 2024 Series A Mortgage Loan, or a person on behalf of such mortgagor, to pay for the mortgage insurance described in paragraph (1) of this subsection, then the Authority shall pay for such mortgage insurance from moneys available under the General Resolution or otherwise, except to the extent that:

(i) the Authority either:

(A) does not pay for such mortgage insurance from moneys available under the General Resolution or otherwise; or

(B) provides additional reserves, insurance, sureties or cash equivalents as security or makes other covenants regarding the 2024 Series A Bonds; and

(ii) the taking of the action described in clause (A) or (B) above, does not, by itself, or in combination with other factors, result in a reduction in the then-current unenhanced rating of the Bonds;

(f) The 2024 Series A Mortgage Loans shall be: (i) conventional mortgage loans, (ii) insured by the Federal Housing Administration, (iii) guaranteed by the United States Department of Veterans' Affairs, or (iv) guaranteed by the Rural Housing Service of the United States Department of Agriculture;

(g) A 2024 Series A Mortgage Loan shall be used for the purchase of a residence or both the purchase and rehabilitation of a residence; and

(h) The Authority shall not sell any 2024 Series A Mortgage Loans or 2024 Series A Down Payment Assistance Loans and use the proceeds of such sale to redeem 2024 Series A Bonds as provided in Section 206 hereof except for 2024 Series A Mortgage Loans or 2024 Series A Down Payment Assistance Loans (i) that are in default, (ii) that must be sold in order to preserve the exclusion of interest on the 2024 Series A Bonds from gross income for federal income tax purposes, or (iii) that do not comply with the Authority's Program requirements.

306. Covenant as to Disposition of Principal Prepayments and 2024 Series A Down Payment Assistance Loan Principal Prepayments. Subject to the provisions of Section 403 of the General Resolution and Section 206 hereof, the Authority shall direct the Trustee to transfer Revenues in an amount equal to and representing (a) the Principal Prepayments derived from 2024 Series A Mortgage Loans from the General Receipts Fund to the Redemption Fund or the Bond Proceeds Fund, provided that any such Revenues deposited in the Bond Proceeds Fund must be transferred to the Redemption Fund within twelve (12) months of such deposit if not used for the purpose of financing Mortgage Loans within such one-year period and (b) the 2024 Series A Down Payment Assistance Loan Principal Prepayments from the General Receipts Fund to the Redemption Fund or the Down Payment Assistance Fund, provided that any such Revenues deposited in the Down Payment Assistance Fund must be transferred to the Redemption Fund within twelve (12) months of such deposit if not used for the purpose of financing 2024 Series A Down Payment Assistance Loans within such one-year period.

307. Down Payment Assistance Fund.

(a) Amounts on deposit in the Down Payment Assistance Fund shall be used as provided in this 2024 Series A Resolution with respect to moneys received by the Authority in connection with the issuance of the 2024 Series A Bonds.

(b) Amounts on deposit in the Down Payment Assistance Fund received by the Authority in connection with the issuance of the 2024 Series A Bonds, if any, and any additional amounts deposited by the Authority in the Down Payment Assistance Fund in respect of the 2024 Series A Bonds as hereinafter provided, if any, shall be used, upon Authority Request, to finance 2024 Series A Down Payment Assistance Loans. The Authority may, from time to time, direct that additional amounts be deposited in the Down Payment Assistance Fund in respect of the 2024 Series A Bonds from unrestricted Authority funds for the purpose of financing additional 2024 Series A Down Payment Assistance Loans. No amounts on deposit in the Down Payment Assistance Fund shall be used to finance Mortgage Loans. Each 2024 Series A Down Payment Assistance Loan shall have the following terms, conditions, provisions and limitations:

(i) Each 2024 Series A Down Payment Assistance Loan shall be made to provide down payment assistance only to a mortgagor who has received a Mortgage Loan;

(ii) Each 2024 Series A Down Payment Assistance Loan shall be evidenced by a promissory note and a mortgage document which has been properly recorded and constitutes a valid second lien on the property subject only to the mortgage securing the related Mortgage Loan and real property taxes or assessments not yet due; provided, that if the related Mortgage Loan is refinanced with proceeds of an Authority financed mortgage loan (an "Authority Refinance Loan"), at the option of the Authority, the 2024 Series A Down Payment Assistance Loan may be subordinated to the related Authority Refinance Loan;

(iii) The promissory note for each 2024 Series A Down Payment Assistance Loan must be payable or endorsed to the Authority and the 2024 Series A Down Payment Assistance Loan must be originated in the name of the Authority or be assigned to the Authority;

(iv) Each 2024 Series A Down Payment Assistance Loan shall be in a principal amount not to exceed Fifteen Thousand Dollars (\$15,000); and

(v) Each 2024 Series A Down Payment Assistance Loan shall be for a term not exceeding the term of the related Mortgage Loan, shall bear interest as determined by the Authority and shall be payable on the earliest of (A) the sale of the residence to which such 2024 Series A Down Payment Assistance Loan relates, (B) the maturity date thereof, or (C) the date of payment in full of the related Mortgage Loan (or if the related Mortgage Loan has been refinanced with an Authority Refinance Loan, the date of payment in full of such related Authority Refinance Loan if approved by the Authority).

(c) Amounts on deposit in the Down Payment Assistance Fund may be transferred at any time, upon Authority Request, to the Bond Proceeds Fund.

(d) The Authority does hereby pledge, convey and assign the 2024 Series A Down Payment Assistance Loans as security for the payment of the Bonds and the interest and redemption premium, if any, thereon and for the equal and proportionate benefit and security from time to time, of the Owners of the Bonds without preference, priority or distinction as to lien or otherwise. Any 2024 Series A Down Payment Assistance Loans shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority, irrespective of whether such parties have notice thereof, and neither this 2024 Series A Resolution nor any instruments by which a pledge is created need be recorded. All moneys received by or on behalf of the Authority representing principal and interest payments on the 2024 Series A Down Payment Assistance Loans including all 2024 Series A Down Payment Assistance Loan Principal Prepayments representing the same shall constitute "Revenues" for purposes of the General Resolution and shall be deposited in the General Receipts Fund.

(e) Amounts on deposit in the Down Payment Assistance Fund in respect of the 2024 Series A Down Payment Assistance Loans shall be taken into account when preparing a Cash Flow Statement in accordance with Section 608 of the General Resolution. In addition to the requirements for filing a Cash Flow Statement set forth in Section 608 of the General Resolution, the Authority shall file with the Trustee a current Cash Flow Statement prior to transferring amounts to the Down Payment Assistance Fund to finance 2024 Series A Down Payment Assistance Loans in excess of the amounts contemplated in the last Cash Flow Statement to be so transferred, or prior to applying amounts previously transferred to the Down Payment Assistance Fund to finance 2024 Series A Down Payment Assistance Loans on terms materially different from those assumed in the last Cash Flow Statement. Upon filing a Cash Flow Statement with the Trustee, the Authority shall thereafter administer its program for making 2024 Series A Down Payment Assistance Loans in all material respects in accordance with the assumptions set forth in such Cash Flow Statement. Except as necessary to dispose of defaulted 2024 Series A Down Payment Assistance Loans or to comply with tax covenants or requirements of the Authority relating to its program for making 2024 Series A Down Payment Assistance Loans, if the Cash Flow Statement delivered in connection with any sale of 2024 Series A Down Payment Assistance Loans at a price below book value does not project Revenues sufficient to pay Expenses and debt service on the Bonds when due

in each bond year, an Authorized Representative must certify to the Trustee that the projected deficiency in each bond year is less than it would have been if all or a portion of the amounts transferred or used had been applied to the financing of 2024 Series A Down Payment Assistance Loans or invested in Investment Obligations on terms then available.

ARTICLE IV
FORMS, EXECUTION AND DELIVERY OF
2024 SERIES A BONDS

401. Forms of 2024 Series A Bonds. Subject to the provisions of the General Resolution, the form of the 2024 Series A Bonds and the Certificate of Authentication with respect thereto are hereby approved substantially in the forms attached as Exhibits A and B, respectively, with necessary or appropriate variations, omissions and insertions as are incidental to their numbers, denominations, maturities, interest rate or rates, redemption provisions and other details thereof.

402. Execution and Delivery of 2024 Series A Bonds. (a) The 2024 Series A Bonds shall be executed in the name of the Authority by the manual or facsimile signature of either its Chairperson or Chief Executive Officer and Executive Director and the corporate seal of the Authority (or a facsimile thereof) shall be impressed or imprinted thereon in accordance with the provisions of Section 204 of the General Resolution. The 2024 Series A Bonds shall be authenticated by the manual signature of an authorized signer of the Trustee.

(b) The 2024 Series A Bonds shall be delivered by an Authorized Representative to the Purchasers in New York, New York, Lansing, Michigan, or any other location mutually agreeable to the Authority and the Purchasers, upon payment of the purchase price plus accrued interest, if any, on the 2024 Series A Bonds from the date thereof to the date of delivery in immediately available Federal Reserve Funds available to the Authority at the time or times and place or places of delivery.

(c) Initially, one fully-registered 2024 Series A Bond (a “2024 Series A Bond”) for each maturity of 2024 Series A Bonds, in the aggregate principal amount of such maturity, shall be issued in the name of Cede & Co., as nominee of DTC.

403. Global Form; Securities Depository.

(a) Except as otherwise provided in this Section, the 2024 Series A Bonds shall be in the form of the 2024 Series A Bond, shall be registered in the name of the Securities Depository or its nominee and ownership thereof shall be maintained in book entry form by the Securities Depository for the account of the Agent Members thereof. Except as provided in subsection (c) of this Section, 2024 Series A Bonds may be transferred, in whole but not in part, only to the Securities Depository or a nominee of the Securities Depository, or to a successor Securities Depository selected by the Authority, or to a nominee of such successor Securities Depository.

(b) The Authority and the Trustee shall have no responsibility or obligation with respect to:

(i) the accuracy of the records of the Securities Depository or any Agent Member with respect to any beneficial ownership interest in the 2024 Series A Bonds;

(ii) the delivery to any Agent Member, beneficial owner of the 2024 Series A Bonds or other person, other than the Securities Depository, of any notice with respect to the 2024 Series A Bonds;

(iii) the payment to any Agent Member, beneficial owner of the Bonds or other person, other than the Securities Depository of any amount with respect to the principal of, premium, if any, or interest on, the 2024 Series A Bonds;

(iv) any consent given by Cede & Co. as Bondowner of the 2024 Series A Bonds or any successor nominee of a Securities Depository as Bondowner of such Bonds; or

(v) the selection by the Securities Depository or any Agent Member of any beneficial owners to receive payment if any 2024 Series A Bonds are redeemed in part.

So long as the certificates for the 2024 Series A Bonds are not issued pursuant to subsection (c) of this Section 403, the Authority and the Trustee may treat the Securities Depository as, and deem the Securities Depository to be, the absolute owner of such 2024 Series A Bonds for all purposes whatsoever, including without limitation:

(1) the payment of principal, premium, if any, and interest on such 2024 Series A Bond;

(2) giving notices of redemption and other matters with respect to such 2024 Series A Bond; and

(3) registering transfers with respect to such 2024 Series A Bond.

(c) If at any time the Securities Depository notifies the Authority or the Trustee that it is unwilling or unable to continue as Securities Depository with respect to the 2024 Series A Bonds or if at any time the Securities Depository shall no longer be registered or in good standing under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation and a successor Securities Depository is not appointed by the Authority within ninety (90) days after the Authority or the Trustee receives notice or becomes aware of such condition, as the case may be, subsections (a) and (b) of this Section shall no longer be applicable and the Authority shall execute and the Trustee shall authenticate and deliver certificates representing the 2024 Series A Bonds as provided in subsection (d) below. In addition, the Authority may determine at any time that the 2024 Series A Bonds shall no longer be represented by global certificates and that the provisions of subsections (a) and (b) above shall no longer apply to the 2024 Series A Bonds. In any such event the Authority shall execute and the Trustee shall authenticate and deliver certificates representing the 2024 Series A Bonds as provided in subsection (d) below.

(d) Certificates for the 2024 Series A Bonds issued in exchange for global certificates shall be registered in such names and authorized denominations as the Securities Depository, pursuant to instructions from the Agent Members or otherwise, shall instruct the Authority and the Trustee. The Trustee shall deliver such certificates representing the 2024 Series A Bonds to the persons in whose names such 2024 Series A Bonds are so registered as soon as practicable.

404. Conflict With Representation Letter. Notwithstanding any other provision of this 2024 Series A Resolution to the contrary, so long as any 2024 Series A Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal or Redemption Price of and interest, if any, on such 2024 Series A Bond, and all notices with respect to such 2024 Series A Bond shall be made and given, respectively, to DTC as provided in the Representation Letter.

ARTICLE V MISCELLANEOUS

501. Ratification of Actions. The actions of any Authorized Representative heretofore taken pursuant to the provisions of the General Resolution including, but not limited to: the publishing of notice and the conducting of a hearing with respect to the issuance of the 2024 Series A Bonds, the making of presentations to security rating agencies, the undertaking of discussions and negotiations with underwriters or groups of underwriters or purchasers regarding offers to purchase the 2024 Series A Bonds, be, and they hereby are, ratified and confirmed in all respects.

502. Authorization of Actions. (a) Any Authorized Representative is hereby authorized and directed to execute such other documents and certifications, and to perform such other acts as may be necessary or convenient for the proper sale, execution and delivery of the 2024 Series A Bonds subject to, and as may be required by the Purchase Contract, the General Resolution and this 2024 Series A Resolution.

(b) Any Authorized Representative is hereby authorized to pay from the General Operating Fund all funds necessary to pay the costs of issuance, including the Underwriters' fee and placement fee, if applicable, of the 2024 Series A Bonds not paid from the proceeds of the 2024 Series A Bonds, and to make the deposit of moneys, or obtain Letter(s) of Credit and/or Surety Bond(s), or an increase in the amount of existing Letter(s) of Credit and/or Surety Bond(s), as provided by Section 503 hereof.

(c) Any Authorized Representative is hereby authorized to pay from the General Operating Fund all amounts necessary to comply with Section 304(b).

503. Authorization of Procurement of Letter(s) of Credit and/or Surety Bond(s) and Execution of Reimbursement Agreement and/or Guaranty Agreement; Notice to the Trustee. Any Authorized Representative hereby is authorized to obtain Letter(s) of Credit and/or Surety Bond(s), to obtain an increase in the amount of existing Letter(s) of Credit and/or Surety Bonds or to obtain a replacement for existing Letter(s) of Credit and/or Surety Bond(s) for application in lieu of the deposit of moneys to the Capital Reserve Fund as specifically authorized in this 2024 Series A Resolution. In connection with the procurement of the foregoing Letter(s) of Credit and/or Surety

Bond(s) or the increase in the amount of existing Letter(s) of Credit and/or Surety Bond(s), the Authorized Representative is authorized, if necessary, to negotiate and execute a reimbursement agreement, or, if necessary, an amendment to any existing reimbursement agreement, with a banking institution, or a guaranty agreement, or, if necessary, an amendment to an existing guaranty agreement, with an insurance company, as appropriate. The annual fees (in addition to any expense reimbursements) paid to the banking institution for the procurement of Letter(s) of Credit shall not exceed one half of one percent (0.5%) of the cumulative amount of the Letter(s) of Credit, the fee to be paid by the Authority for any Surety Bond(s) shall not exceed two percent (2%) of the Surety Bond Coverage relating thereto. The Authority shall give the Trustee sixty (60) days' written notice prior to the expiration of any Letter(s) of Credit obtained pursuant to this 2024 Series A Resolution.

504. Preliminary Official Statement. The form of the Preliminary Official Statement of the Authority with respect to the initial offering of the 2024 Series A Bonds, substantially in the form presented to this meeting, is hereby approved and the distribution thereof by the Underwriters is hereby authorized, with such changes, omissions, insertions and revisions as an Authorized Representative shall deem advisable or appropriate. The delivery of a certificate relating to the Preliminary Official Statement for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, is also approved.

505. Final Official Statement. The form of the Preliminary Official Statement of the Authority is hereby authorized and approved as the final Official Statement of the Authority, with such changes, omissions, insertions and revisions as an Authorized Representative shall deem advisable or appropriate. Any Authorized Representative is hereby authorized to execute such final Official Statement and deliver it to the Underwriters for distribution on behalf of the Authority.

506. Covenant as to Purchase of 2024 Series A Bonds. The Authority covenants that it shall require that a Mortgage Lender, mortgagor or "related person" as defined in Section 147 of the 1986 Code, shall not purchase 2024 Series A Bonds pursuant to any arrangement, formal or informal, in an amount related to a Mortgage Loan or 2024 Series A Down Payment Assistance Loan.

507. Trustee Not Responsible for Official Statement. The recitals, statements and representations contained in the Preliminary Official Statement and the Official Statement shall be taken and construed as made by and on the part of the Authority and not by the Trustee, and the Trustee assumes and shall be under no responsibility for the correctness of the same.

508. Notice of Redemption.

(a) At least thirty (30) days but no more than ninety (90) days before the redemption date of any 2024 Series A Bonds, the Trustee shall cause a notice of any redemption of 2024 Series A Bonds, either in whole or in part, to be sent by registered or certified mail or by overnight delivery, to the Securities Depository at least two (2) business days (a business day being a day when such Securities Depository is open for business) prior to the date of general mailing of any notice of redemption.

(b) In addition, a second duplicate notice in writing shall be mailed by certified mail, postage prepaid, return receipt requested, to any registered owner of 2024 Series A Bonds to be redeemed who has not presented and surrendered such 2024 Series A Bonds to the Trustee for redemption within thirty (30) days after the date of redemption.

(c) In addition to the requirements set forth in Section 302 of the General Resolution, a notice of any such redemption shall include the following information with respect to the 2024 Series A Bonds to be so redeemed: the complete title of the 2024 Series A Bonds, the CUSIP numbers of the 2024 Series A Bonds to be redeemed, the date of general mailing of such notice of redemption, the complete name of the Trustee including the telephone number for inquiries, the maturity date and the interest rate (if applicable) of the 2024 Series A Bonds.

(d) Failure to receive any such notices by any such registered owner shall not affect the validity of the proceedings for the redemption of the 2024 Series A Bonds.

509. Continuing Disclosure. The 2024 Series A Bonds are hereby made subject to the Second Master Continuing Disclosure Undertaking-Single Family Mortgage Revenue Bonds, dated as of April 1, 2019, and the Authority agrees to abide by the provisions thereof so long as any of the 2024 Series A Bonds are Outstanding.

510. Notices to Rating Agency. The Authority hereby covenants and agrees that it will send written notice to S&P at 55 Water Street, 38th Floor, New York, New York 10041 and to Moody's at 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, of the occurrence of any of the following events with respect to the 2024 Series A Bonds:

- (a) any acceleration of payment of the principal of and interest on the 2024 Series A Bonds;
- (b) any amendments to this 2024 Series A Resolution or the General Resolution;
- (c) any successor to the Trustee under the General Resolution; and
- (d) any defeasance or redemption in whole of the 2024 Series A Bonds.

511. Effective Date. This 2024 Series A Resolution shall take effect immediately. If the 2024 Series A Bonds are not delivered to the Purchasers on or before April 30, 2024, the authority granted by this 2024 Series A Resolution shall lapse.

EXHIBIT A

[FORM OF 2024 SERIES A BOND]

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Authority or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
SINGLE-FAMILY MORTGAGE REVENUE BOND, 2024 SERIES A

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
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REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT:

The Michigan State Housing Development Authority (the “Authority”), a public body corporate and politic, organized and existing under and by virtue of the laws of the State of Michigan, acknowledges itself indebted to, and for value received, hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above, on the Maturity Date specified above, unless redeemed prior thereto as hereinafter provided, upon the presentation and surrender hereof at the principal corporate trust office of U.S. Bank Trust Company, National Association in St. Paul, Minnesota (the “Trustee”), as Trustee under the Resolution of the Authority adopted December 17, 1987, authorizing the issuance of Michigan State Housing Development Authority Single-Family Mortgage Revenue Bonds, as amended and supplemented (the “General Resolution”), or its successor as Trustee, and to pay to the registered owner by check or draft mailed to the registered owner on the fifteenth (15th) day of the month preceding the interest payment date at such owner’s address as shown on the registration books of the Authority, as maintained by the Trustee, interest on such Principal Amount from the date hereof to the date of maturity or earlier redemption of this 2024 Series A Bond at the Interest Rate per annum specified above on _____, 20__, and semiannually thereafter on the first day of December and June. The principal or Redemption Price (as defined in the General Resolution) of this 2024 Series A Bond is payable upon presentation in any coin or currency of the United States of America which, on the respective dates of payment, shall be legal tender for the payment of public and private debts.

THE STATE OF MICHIGAN IS NOT LIABLE ON THIS 2024 SERIES A BOND AND THIS 2024 SERIES A BOND IS NOT A DEBT OF THE STATE OF MICHIGAN. THE AUTHORITY HAS NO TAXING POWER.

Capitalized terms used herein and not otherwise defined shall have the meaning assigned such term in the hereinafter defined 2024 Series A Resolution.

Subject to any agreements now or hereafter made with the owners of any other notes or bonds of the Authority pledging any particular receipts or revenues, this 2024 Series A Bond is a general obligation of the Authority and the full faith and credit of the Authority are hereby pledged for the payment of the principal or Redemption Price of and interest on this 2024 Series A Bond. This 2024 Series A Bond is one of a duly authorized issue of Bonds of the Authority designated “Single-Family Mortgage Revenue Bonds” (the “Bonds”), issued and to be issued in various series under and pursuant to Act No. 346 of the Public Acts of 1966 of the State of Michigan, as amended (herein called the “Act”), and under and pursuant to the General Resolution and a series resolution authorizing the issuance and sale of each such series. As provided in the General Resolution, the Bonds may be issued from time to time in one or more series, in various principal amounts, may mature at different times, may bear interest, if any, at different rates and, subject to the provisions thereof, may otherwise vary. The aggregate principal amount of Bonds which may be issued under the General Resolution is not limited except as provided in the General Resolution, and all Bonds issued and to be issued under the General Resolution are and will be equally secured by the pledges and covenants made therein, except as otherwise expressly provided or permitted in the General Resolution.

This 2024 Series A Bond is one of a series of Bonds designated “Single-Family Mortgage Revenue Bonds, 2024 Series A” (the “2024 Series A Bonds”) issued in the initial aggregate principal amount of _____ Dollars (\$ _____) under the General Resolution and the Series Resolution Authorizing the Issuance and Sale of Single-Family Mortgage Revenue Bonds, 2024 Series A in an Amount not to Exceed \$350,000,000, adopted on February 15, 2024 (the “2024 Series A Resolution”) (the General Resolution and the 2024 Series A Resolution are collectively herein called the “Resolutions”). The proceeds of the 2024 Series A Bonds will be utilized by the Authority as provided in the Resolutions. The 2024 Series A Bonds will be secured by a pledge of the Pledged Property (as defined in the General Resolution) which includes the mortgage repayments required to be paid on the mortgage loans financed with the proceeds of the 2024 Series A Bonds, the Down Payment Assistance Fund established under the Authority’s Series Resolution Authorizing the Issuance and Sale of its Single-Family Mortgage Revenue Bonds, 2003 Series B adopted on November 19, 2003 (the “2003 Series B Resolution”) and the repayments required to be paid on the down payment assistance loans financed with the proceeds of the 2024 Series A Bonds and will be further secured by the Loan Loss Fund established under the Authority’s Resolution Establishing Single-Family Loan Loss Fund adopted on July 8, 1988, as supplemented (the “Loan Loss Fund Resolution”). Copies of the Resolutions, the 2003 Series B Resolution and the Loan Loss Fund Resolution are on file in the office of the Authority and at the corporate trust office of the Trustee, and reference to the Resolutions, the 2003 Series B Resolution and the Loan Loss Fund Resolution and any and all supplements thereto and modifications and amendments thereof and to the Act are made for a description of the pledges and covenants securing the 2024 Series A Bonds, the nature, extent and manner of enforcement of such pledges, the rights and remedies of the registered owners of the 2024 Series A Bonds with respect thereto and the terms and conditions upon which the 2024 Series A Bonds are issued and may be issued thereunder. To the extent and in the manner permitted by the terms of the

Resolutions, the 2003 Series B Resolution and the Loan Loss Fund Resolution, the provisions of the Resolutions, the 2003 Series B Resolution and the Loan Loss Fund Resolution or any resolution amendatory thereof or supplemental thereto, may be modified or amended.

This 2024 Series A Bond is transferable, as provided in the Resolutions, only upon the books of the Authority kept for that purpose at the corporate trust office of the Trustee, by the registered owner hereof in person, or by an attorney duly authorized in writing, upon the surrender of this 2024 Series A Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his attorney duly authorized in writing, and thereupon a new registered 2024 Series A Bond or 2024 Series A Bonds, and in the same aggregate principal amount and of the same interest rate and maturity, shall be issued to the transferee in exchange therefor as provided in the Resolutions, and upon the payment of the charges, if any, therein prescribed.

The 2024 Series A Bonds are issuable in the form of fully-registered Bonds without coupons in the denomination of Five Thousand Dollars (\$5,000) or any integral multiple thereof not exceeding the aggregate principal amount for each maturity of such 2024 Series A Bonds.

The 2024 Series A Bonds are subject to redemption prior to maturity as provided in the 2024 Series A Resolution. Notice of any such redemption shall be given to the registered owners of any 2024 Series A Bonds or portions thereof to be redeemed as provided in the 2024 Series A Resolution.

This 2024 Series A Bond shall not be valid or become obligatory for any purpose until the Trustee's Certificate of Authentication hereon shall have been executed by the Trustee.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and statutes of the State of Michigan and the Resolutions to exist, to have happened and to have been performed precedent to and in the issuance of this 2024 Series A Bond, exist, have happened and have been performed in due time, form and manner as required by law, and that the issue of the 2024 Series A Bonds, together with all other indebtedness of the Authority is within every debt and other limit prescribed by law.

IN WITNESS WHEREOF, the Michigan State Housing Development Authority has caused this 2024 Series A Bond to be executed in its name by the facsimile signature of its Chief Executive Officer and Executive Director and its corporate seal (or a facsimile thereof) to be impressed or imprinted hereon, all as of the Date of Original Issue as set forth above.

MICHIGAN STATE HOUSING DEVELOPMENT
AUTHORITY

(Seal)

By _____
Its Chief Executive Officer
and Executive Director

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the 2024 Series A Bonds described in the within-mentioned 2024 Series A Resolution.

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, Trustee

By _____
Authorized Representative

Date of Authentication: _____

EXHIBIT B

[FORM OF 2024 SERIES A BOND (CAPITAL APPRECIATION BOND)]

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Authority or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
SINGLE-FAMILY MORTGAGE REVENUE BOND, 2024 SERIES A
(CAPITAL APPRECIATION BOND)

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>Original Principal Amount per \$5,000 at Maturity</u>	<u>CUSIP</u>
Zero				

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT IF HELD TO MATURITY: _____

The Michigan State Housing Development Authority (the “Authority”), a public body corporate and politic, organized and existing under and by virtue of the laws of the State of Michigan, acknowledges itself indebted to, and for value received, hereby promises to pay to the Registered Owner specified above, or registered assigns, on the date the principal of this 2024 Series A Bond shall become payable, the Appreciated Amount (as defined in the 2024 Series A Resolution identified below) as hereinafter provided, upon the presentation and surrender hereof at the principal corporate trust office of U.S. Bank Trust Company, National Association in St. Paul, Minnesota (the “Trustee”), as Trustee under the Resolution of the Authority adopted December 17, 1987, authorizing the issuance of Michigan State Housing Development Authority Single-Family Mortgage Revenue Bonds, as amended and supplemented (the “General Resolution”), or its successor as Trustee. Unless this 2024 Series A Bond shall have been redeemed or an acceleration of its maturity shall have occurred, all as hereinafter provided, the Appreciated Amount of this 2024 Series A Bond shall become due on the Maturity Date specified above. The Appreciated Amount or Redemption Price (as defined in the General Resolution) of this 2024 Series A Bond is payable upon presentation in any coin or currency of the United States of America which, on the respective dates of payment, shall be legal tender for the payment of public and private debts.

Interest shall not be paid on this 2024 Series A Bond except in the case of the failure of the Authority to deposit the Appreciated Amount with the Trustee at the stated maturity hereof in which case such amount owing on this 2024 Series A Bond shall thereafter bear interest at the rate equal to the approximately yield established in the 2024 Series A Resolution from the date of such maturity until such amount plus interest is deposited with the Trustee.

THE STATE OF MICHIGAN IS NOT LIABLE ON THIS 2024 SERIES A BOND AND THIS 2024 SERIES A BOND IS NOT A DEBT OF THE STATE OF MICHIGAN. THE AUTHORITY HAS NO TAXING POWER.

Capitalized terms used herein and not otherwise defined shall have the meaning assigned such term in the hereinafter defined 2024 Series A Resolution.

Subject to any agreements now or hereafter made with the owners of any other notes or bonds of the Authority pledging any particular receipts or revenues, this 2024 Series A Bond is a general obligation of the Authority and the full faith and credit of the Authority are hereby pledged for the payment of the principal or Redemption Price of and interest on this 2024 Series A Bond. This 2024 Series A Bond is one of a duly authorized issue of Bonds of the Authority designated “Single-Family Mortgage Revenue Bonds” (the “Bonds”), issued and to be issued in various series under and pursuant to Act No. 346 of the Public Acts of 1966 of the State of Michigan, as amended (herein called the “Act”), and under and pursuant to the General Resolution and a series resolution authorizing the issuance and sale of each such series. As provided in the General Resolution, the Bonds may be issued from time to time in one or more series, in various principal amounts, may mature at different times, may bear interest, if any, at different rates and, subject to the provisions thereof, may otherwise vary. The aggregate principal amount of Bonds which may be issued under the General Resolution is not limited except as provided in the General Resolution, and all Bonds issued and to be issued under the General Resolution are and will be equally secured by the pledges and covenants made therein, except as otherwise expressly provided or permitted in the General Resolution.

This 2024 Series A Bond is one of a series of Bonds designated “Single-Family Mortgage Revenue Bonds, 2024 Series A” (the “2024 Series A Bonds”) issued in the initial aggregate principal amount of _____ Dollars (\$_____) under the General Resolution and the Series Resolution Authorizing the Issuance and Sale of Single-Family Mortgage Revenue Bonds, 2024 Series A in an Amount not to Exceed \$350,000,000, adopted on February 15, 2024 (the “2024 Series A Resolution”) (the General Resolution and the 2024 Series A Resolution are collectively herein called the “Resolutions”). The proceeds of the 2024 Series A Bonds will be utilized by the Authority as provided in the Resolutions. The 2024 Series A Bonds will be secured by a pledge of the Pledged Property (as defined in the General Resolution) which includes the mortgage repayments required to be paid on the mortgage loans financed with the proceeds of the 2024 Series A Bonds, the Down Payment Assistance Fund established under the Authority’s Series Resolution Authorizing the Issuance and Sale of its Single-Family Mortgage Revenue Bonds, 2003 Series B adopted on November 19, 2003 (the “2003 Series B Resolution”) and the repayments required to be paid on the down payment assistance loans financed with the proceeds of the 2024 Series A Bonds and will be further secured by the Loan Loss Fund established under the Authority’s Resolution Establishing Single-Family Loan Loss Fund adopted on

July 8, 1988, as supplemented (the “Loan Loss Fund Resolution”). Copies of the Resolutions, the 2003 Series B Resolution and the Loan Loss Fund Resolution are on file in the office of the Authority and at the corporate trust office of the Trustee, and reference to the Resolutions, the 2003 Series B Resolution and the Loan Loss Fund Resolution and any and all supplements thereto and modifications and amendments thereof and to the Act are made for a description of the pledges and covenants securing the 2024 Series A Bonds, the nature, extent and manner of enforcement of such pledges, the rights and remedies of the registered owners of the 2024 Series A Bonds with respect thereto and the terms and conditions upon which the 2024 Series A Bonds are issued and may be issued thereunder. To the extent and in the manner permitted by the terms of the Resolutions, the 2003 Series B Resolution and the Loan Loss Fund Resolution, the provisions of the Resolutions, the 2003 Series B Resolution and the Loan Loss Fund Resolution or any resolution amendatory thereof or supplemental thereto, may be modified or amended.

This 2024 Series A Bond is transferable, as provided in the Resolutions, only upon the books of the Authority kept for that purpose at the corporate trust office of the Trustee by the registered owner hereof in person, or by an attorney duly authorized in writing, upon the surrender of this 2024 Series A Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his attorney duly authorized in writing, and thereupon a new registered 2024 Series A Bond or 2024 Series A Bonds, of the same maturity and in the applicable aggregate Appreciated Amount, shall be issued to the transferee in exchange therefor as provided in the Resolutions, and upon the payment of the charges, if any, therein prescribed.

The 2024 Series A Bonds are issuable in the form of fully-registered Bonds without coupons in the denomination of Five Thousand Dollars (\$5,000) or any integral multiple thereof not exceeding the aggregate principal amount for each maturity of such 2024 Series A Bonds.

The 2024 Series A Bonds are subject to redemption prior to maturity as provided in the 2024 Series A Resolution. Notice of any such redemption shall be given to the registered owners of any 2024 Series A Bonds or portions thereof to be redeemed as provided in the 2024 Series A Resolution.

The Appreciated Amount for this 2024 Series A Bond shall be determined as provided in the 2024 Series A Resolution.

This 2024 Series A Bond shall not be valid or become obligatory for any purpose until the Trustee’s Certificate of Authentication hereon shall have been executed by the Trustee.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and statutes of the State of Michigan and the Resolutions to exist, to have happened and to have been performed precedent to and in the issuance of this 2024 Series A Bond, exist, have happened and have been performed in due time, form and manner as required by law, and that the issue of the 2024 Series A Bonds, together with all other indebtedness of the Authority is within every debt and other limit prescribed by law.

IN WITNESS WHEREOF, the Michigan State Housing Development Authority has caused this 2024 Series A Bond to be executed in its name by the facsimile signature of its Chief Executive Officer and Executive Director and its corporate seal (or a facsimile thereof) to be impressed or imprinted hereon, all as of the Date of Original Issue as set forth above.

MICHIGAN STATE HOUSING DEVELOPMENT
AUTHORITY

(Seal)

By _____
Its Chief Executive Officer
and Executive Director

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the 2024 Series A Bonds described in the within-mentioned 2024 Series A Resolution.

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, Trustee

By _____
Authorized Representative

Date of Authentication:

[End of 2024 Series A Bond Forms]

DRAFT

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
SERIES RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF
SINGLE-FAMILY MORTGAGE REVENUE BONDS, 2024 SERIES B
(FEDERALLY TAXABLE) IN AN AMOUNT NOT TO EXCEED \$275,000,000**

February 15, 2024

WHEREAS, the Members of the Michigan State Housing Development Authority (hereinafter referred to as the “Authority”), by Resolution adopted December 17, 1987, and as supplemented on January 28, 1988, October 12, 1995, January 30, 1997, May 24, 2006 and September 26, 2018 (hereinafter referred to as the “General Resolution”), have authorized the issuance of Single-Family Mortgage Revenue Bonds in one or more Series pursuant to a Series Resolution authorizing the issuance and sale of any such Series; and

WHEREAS, the Members of the Authority have determined that it is necessary and desirable that the Authority issue at this time a Series of Bonds to be designated “Single-Family Mortgage Revenue Bonds, 2024 Series B (Federally Taxable)” to provide moneys to carry out the purposes of the Authority; and

WHEREAS, pursuant to Section 27(l) of the Act, the Authority proposes to delegate to the Chief Executive Officer and Executive Director, the Chief Financial Officer, the Deputy Director of Finance, the Director of Legal Affairs, the Deputy Director of Legal Affairs, the Chairperson or the Vice Chairperson of the Authority or any person duly authorized to act in any of the foregoing capacities (each, together with any person duly appointed and acting in such capacity, hereinafter individually referred to as an “Authorized Representative”) the power to determine certain terms and conditions of the 2024 Series B Bonds (as hereinafter defined), subject to limits established herein and in the General Resolution.

NOW, THEREFORE, BE IT RESOLVED by the Members of the Authority as follows:

**ARTICLE I
AUTHORITY AND DEFINITIONS**

101. 2024 Series B Resolution. This resolution (hereinafter referred to as the “2024 Series B Resolution”) is adopted in accordance with the provisions of Article II of the General Resolution and pursuant to the authority contained in the Act.

102. Definitions.

All terms which are defined in Sections 103 and 104 of Article I of the General Resolution have the same meanings in this 2024 Series B Resolution including the preambles hereto.

“2003 Series B Resolution” means the resolution of the Authority authorizing the issuance and sale of its Single-Family Mortgage Revenue Bonds, 2003 Series B.

“2024 Series B Bonds” means the Bonds authorized by Article II of this 2024 Series B Resolution.

“2024 Series B Down Payment Assistance Loan Principal Prepayments” means any payment by a mortgagor or other recovery of principal on a 2024 Series B Down Payment Assistance Loan which is not applied on a scheduled installment of principal and interest on a 2024 Series B Down Payment Assistance Loan (including any deficiency in the payment of any scheduled installments of principal and interest then due and payable or interest paid in connection with a voluntary prepayment of a 2024 Series B Down Payment Assistance Loan) and the portion of any amounts received in connection with the liquidation of a defaulted 2024 Series B Down Payment Assistance Loan (whether through foreclosure, trustee’s sale or otherwise) or other payments representing such principal amounts, including payments from the sale of a 2024 Series B Down Payment Assistance Loan.

“2024 Series B Down Payment Assistance Loans” means (i) any loan financed or acquired with amounts received in connection with the issuance of the 2024 Series B Bonds or with other amounts made available by the Authority in respect of the 2024 Series B Bonds and deposited in the Down Payment Assistance Fund and pledged hereunder by the Authority in accordance with the Act, evidenced by a mortgage note and secured by a mortgage and (ii) any instrument evidencing an ownership interest in such loans.

“2024 Series B Home Improvement Mortgage Loan” means a 2024 Series B Mortgage Loan the proceeds of which are used to finance improvements to a residence and which loan satisfies the requirements for 2024 Series B Home Improvement Mortgage Loans in Section 305.

“2024 Series B Mortgage Loans” means all Mortgage Loans or portions of Mortgage Loans, including 2024 Series B Home Improvement Mortgage Loans, financed or acquired from the proceeds of or allocable to the 2024 Series B Bonds.

“Agent Member” means a member of, or participant in, the Securities Depository.

“Capital Appreciation Bonds” means the 2024 Series B Bonds, if any, which are authorized as Capital Appreciation Bonds pursuant to Section 203 hereof, which do not provide for current interest payments and which are hereby designated Deferred Interest Bonds.

“Cede & Co.” means Cede & Co., the nominee of DTC, or any successor nominee of DTC with respect to the 2024 Series B Bonds.

“Closing Date” means the date on which the 2024 Series B Bonds are issued and delivered to the Purchasers, or designee(s), in exchange for payment by the Purchasers therefor.

“Down Payment Assistance Fund” means the Fund established pursuant to Article III of the 2003 Series B Resolution.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“Letter(s) of Credit” means one or more unconditional irrevocable letters of credit issued by a domestic or foreign bank which qualifies as a Cash Equivalent under the General Resolution and which provides for a draw down in the full amount upon its expiration date at the option of the Authority in the absence of a renewal of such Letter(s) of Credit or if the Authority does not deliver to the Trustee a replacement Letter(s) of Credit.

“Loan Loss Fund” means the Loan Loss Fund established pursuant to the Loan Loss Fund Resolution.

“Loan Loss Fund Resolution” means the Authority’s Resolution Establishing Single-Family Loan Loss Fund adopted July 8, 1988, as supplemented on June 1, 1989 and April 30, 1997.

“Purchase Contract” means, the contract of purchase between the Authority and the Underwriters with respect to the 2024 Series B Bonds.

“Purchasers” means the Underwriters.

“Representation Letter” means the blanket agreement of the Authority and the Trustee to comply with the operational arrangements of DTC and any similar agreement with respect to a successor Securities Depository.

“Rule” means Rule 15c2-12 promulgated by the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, § 240.15c2-12).

“Securities Depository” means DTC and its successors and assigns or if (i) the then-Securities Depository resigns from its functions as depository of the 2024 Series B Bonds or (ii) the Authority discontinues use of the then-Securities Depository pursuant to Section 403(c), any other securities depository which agrees to follow the procedures required to be followed by a securities depository in connection with the 2024 Series B Bonds and which is selected by the Authority.

“Serial Bonds” means the 2024 Series B Bonds, if any, which are authorized as Serial Bonds pursuant to Section 203 hereof.

“Super Sinker Bonds” means the 2024 Series B Bonds, if any, which are designated as Super Sinker Bonds in the Purchase Contract pursuant to Section 206(d) of this 2024 Series B Resolution.

“Surety Bond(s)” or “Surety” means one or more unconditional and irrevocable surety bonds issued by a domestic or foreign insurance company which (i) qualifies as a Cash Equivalent under the General Resolution, (ii) guarantees certain payments into the Capital

Reserve Fund with respect to the Bonds as provided therein and subject to the limitations set forth therein, and (iii) is not subject to cancellation.

“Term Bonds” means the 2024 Series B Bonds, if any, which are authorized as Term Bonds pursuant to Section 203 hereof and which shall be subject to Sinking Fund Requirements as set forth in the Purchase Contract.

“Underwriters” means, collectively, Barclays Capital Inc. and such other underwriters as may be named in the Purchase Contract.

ARTICLE II AUTHORIZATION OF 2024 SERIES B BONDS

201. Principal Amount, Designation and Series. A Series of Bonds is hereby authorized to be issued and sold, pursuant to the provisions of the General Resolution in an aggregate original principal amount of not to exceed \$275,000,000, as established pursuant to Section 203 hereof. Such Series of Bonds shall be designated as “Single-Family Mortgage Revenue Bonds, 2024 Series B (Federally Taxable)”.

202. Purposes. The purposes for which the 2024 Series B Bonds are being issued are (i) the financing and purchasing of Mortgage Loans, including payment of certain Mortgage Loan origination costs; (ii) if required to satisfy the Capital Reserve Fund Requirement, the making of a deposit to the Capital Reserve Fund in respect of the 2024 Series B Bonds, except to the extent the Authority obtains and pledges to the Capital Reserve Fund Letter(s) of Credit and/or Surety Bond(s) which may be drawn upon or called upon for payment, as applicable, for the purposes of the Capital Reserve Fund; (iii) the making of a deposit to the Down Payment Assistance Fund in respect of the 2024 Series B Bonds, to the extent provided for in the Purchase Contract; and (iv) paying the costs of issuance of the 2024 Series B Bonds, to the extent provided for in the Purchase Contract.

203. Interest Rates, Principal Amounts and Maturity Dates. The 2024 Series B Bonds shall be dated and shall be issued on or before April 30, 2024, as approved by an Authorized Representative. The 2024 Series B Bonds shall be issued either as current interest bearing Bonds or as Capital Appreciation Bonds, or any combination thereof, as determined by an Authorized Representative. The 2024 Series B Bonds, other than Capital Appreciation Bonds, if any, shall bear interest from the date thereof to their maturity or prior redemption, such interest to be payable on June 1 and December 1 of each year, commencing June 1, 2024, or such other date as may be set forth in the Purchase Contract. Interest shall be calculated on the basis of a three hundred sixty (360) day year consisting of twelve (12) thirty (30) day months. Capital Appreciation Bonds, if any, shall not bear interest (except that the extent of the difference between the Original Principal Amount and the Appreciated Amount may be construed to be interest) prior to or on the date of maturity. In the event the Appreciated Amount is not paid or deemed to be paid by the Authority on the date when due by reason of maturity, such Capital Appreciation Bond shall bear interest on such Appreciated Amount from such date at the rate per annum equal to the approximate yield for such Capital Appreciation Bond, as set forth in the Purchase Contract, until such Appreciated Amount is paid or deemed to be paid by the Authority. The Appreciated Amount of each Capital Appreciation Bond as of any June 1 or December 1 shall be determined by dividing the Principal Amount if Held

to Maturity on the face thereof by Five Thousand Dollars (\$5,000) and multiplying the result thereof by the applicable amount set forth in the Purchase Contract.

Interest on the 2024 Series B Bonds shall be paid by the Trustee on each interest payment date to the person appearing on the registration books of the Authority maintained by the Trustee or its designee, as the registered owner of such 2024 Series B Bonds on the fifteenth (15th) day of the month preceding the interest payment date by check mailed to the registered owner at the address as it appears on the registration books, or to the designee, at the address of such designee.

The 2024 Series B Bonds may be issued in whole or in part as Serial Bonds which shall mature on June 1 and/or December 1 in the years and principal amounts and bear interest, in the case of 2024 Series B Bonds other than Capital Appreciation Bonds, or be issued in the Original Aggregate Principal Amounts, in the case of Capital Appreciation Bonds, as approved by an Authorized Representative. The principal amounts of the Serial Bonds, if any, the designation as current interest bearing Bonds or Capital Appreciation Bonds, the maturities, rates of interest and Original Aggregate Principal Amounts, as applicable, shall be set forth in the Purchase Contract, and the approval of such principal amounts, designation as current interest bearing Bonds or Capital Appreciation Bonds, maturities, rates of interest, and Original Aggregate Principal Amounts, as applicable, of the Serial Bonds shall be evidenced by the execution of the Purchase Contract by the Authority.

The 2024 Series B Bonds may also be issued in whole or in part as Term Bonds which shall mature on June 1 and/or December 1 in the years and principal amounts and bear interest, in the case of 2024 Series B Bonds other than Capital Appreciation Bonds, or be issued in the Original Aggregate Principal Amounts, in the case of Capital Appreciation Bonds, as approved by an Authorized Representative. The principal amounts of the Term Bonds, if any, the designation of current interest bearing Bonds or Capital Appreciation Bonds, the maturities, rates of interest and Original Aggregate Principal Amounts, as applicable, shall be set forth in the Purchase Contract, and the approval of the principal amounts, designation as current interest bearing Bonds or Capital Appreciation Bonds, maturities, rates of interest and Original Aggregate Principal Amounts, as applicable, of the Term Bonds shall be evidenced by the execution of the Purchase Contract by the Authority.

The purchase price of the 2024 Series B Bonds and the compensation to be paid to the Underwriters with respect to the 2024 Series B Bonds shall be as approved by an Authorized Representative and shall be set forth in the Purchase Contract, and the approval of such purchase price and compensation shall be evidenced by the execution of the Purchase Contract by the Authority.

In making the determination with respect to interest rates, the Original Aggregate Principal Amounts of Capital Appreciation Bonds, designations as Serial Bonds or Term Bonds, Capital Appreciation Bonds and the maturities of the 2024 Series B Bonds, and with respect to the compensation to be paid to the Purchasers, the purchase price of the 2024 Series B Bonds and certain other matters, the Authorized Representative making such determinations shall be limited as follows:

(a) The rate of interest on any 2024 Series B Bond shall not exceed eight percent (8.00%) per annum, unless such bond is initially sold to the Purchasers at a price in excess of the par amount thereof, in which case the yield on any such 2024 Series B Bond shall not exceed eight percent (8.00%) per annum;

(b) The compensation to be paid to the Underwriters shall not be more than one percent (1.00%) of the original principal amount of the 2024 Series B Bonds;

(c) The schedule of maturities and the amount of each maturity for the 2024 Series B Bonds, taking into account the Sinking Fund Requirements, if any, established pursuant to Section 205 hereof, shall be established in a manner that will permit the Authorized Representative to file the Cash Flow Statement required by Section 608 of the General Resolution;

(d) The final maturity of the 2024 Series B Bonds shall not be later than June 1, 2057;

(e) The maximum amount of scheduled principal payments (adjusted for any previously scheduled Sinking Fund Requirements) and Sinking Fund Requirements due with respect to the 2024 Series B Bonds on any June 1 or December 1, excluding the accretion of any Capital Appreciation Bonds, shall not exceed Sixty Million Dollars (\$60,000,000);

(f) The proceeds of the 2024 Series B Bonds credited to the Down Payment Assistance Fund shall not exceed fifteen percent (15%) of the original principal amount of the 2024 Series B Bonds;

(g) The Authority shall not sell the 2024 Series B Bonds to the Purchasers at a price of less than ninety-eight percent (98%) of the principal amount thereof, exclusive of any underwriter's discount; and

(h) No more than Ten Million (\$10,000,000) of the proceeds of the 2024 Series B Bonds shall be used to finance or acquire 2024 Series B Home Improvement Mortgage Loans.

204. Denominations, Numbers and Letters. The 2024 Series B Bonds, other than the Capital Appreciation Bonds, shall be issued as fully-registered bonds in the denominations of Five Thousand Dollars (\$5,000) or any integral multiple thereof not exceeding the aggregate principal amount for each maturity of such 2024 Series B Bonds. The Capital Appreciation Bonds shall be issued as fully-registered bonds in denominations which appreciate upon maturity to Five Thousand Dollars (\$5,000), as set forth in the Purchase Contract, or any integral multiple thereof. The 2024 Series B Bonds shall be numbered consecutively from 1 upwards, with such additional designations as shall be determined by an Authorized Representative.

205. Sinking Fund Redemption. The Term Bonds, if any, shall be subject to mandatory redemption in part on June 1 and/or December 1, at a Redemption Price equal to the principal amount thereof plus accrued interest to the date of redemption, in the case of 2024 Series B Bonds other than Capital Appreciation Bonds, and the Appreciated Amount thereof, in the case of Capital Appreciation Bonds, in such years and such amounts as shall be approved by an Authorized Representative, which approval shall be evidenced by the Sinking Fund Requirements set forth in

the Purchase Contract executed by the Authority (subject to reduction as provided in the General Resolution).

206. Special Redemptions.

(a) The 2024 Series B Bonds are redeemable, at any time in whole or in part, at the option of the Authority (except to the extent that the Authority is required to redeem 2024 Series B Bonds as set forth in subsection (c) below), at a Redemption Price equal to the principal amount (or, in the case of redemptions pursuant to clause (i) of this Section 206(a), for 2024 Series B Bonds initially purchased by the Purchasers at a price in excess of the principal amount thereof, a price not greater than the price paid by the Purchasers for such 2024 Series B Bonds) plus accrued interest to the redemption date in the case of 2024 Series B Bonds other than Capital Appreciation Bonds, and at the Appreciated Amount thereof in the case of Capital Appreciation Bonds, in a principal amount not in excess of the total of (i) 2024 Series B Bond proceeds remaining uncommitted to the financing of Mortgage Loans or 2024 Series B Down Payment Assistance Loans; (ii) Principal Prepayments (including Principal Prepayments in respect of Mortgage Loans financed from other Series of Bonds issued under the General Resolution); (iii) 2024 Series B Down Payment Assistance Loan Principal Prepayments; and (iv) Revenues available for redemption pursuant to Section 403(e)(1) of the General Resolution.

(b) With respect to redemptions pursuant to subsection (a) above, the 2024 Series B Bonds to be redeemed shall be selected from the Outstanding maturities of the 2024 Series B Bonds on such basis as shall be determined by the Authority, except as may be otherwise designated in the Purchase Contract.

(c) The Authority may designate in the Purchase Contract one or more maturities of the 2024 Series B Bonds as Super Sinker Bonds. The Super Sinker Bonds, if any, shall be subject to mandatory redemption as provided in the Purchase Contract.

207. Optional Redemption. The 2024 Series B Bonds shall be subject to redemption at any time on or after the date established by an Authorized Representative in the Purchase Contract (which date shall not be earlier than December 1, 2029) at the option of the Authority in any order of maturity from any moneys available therefor in whole or in part by lot within a maturity at the applicable Redemption Prices (expressed as percentages of the principal amount thereof, in the case of 2024 Series B Bonds other than Capital Appreciation Bonds, and the Appreciated Amount thereof, in the case of Capital Appreciation Bonds) not to exceed one hundred five percent (105%) of the principal amount of the 2024 Series B Bonds so subject to optional redemption, on the dates of redemption, all as shall be established by an Authorized Representative in the Purchase Contract.

208. Conditional Notice of Optional Redemption and No Requirement to Have Funds on Hand. As provided for by Section 302 of the General Resolution, as may be supplemented as provided therein, and notwithstanding any provision in the General Resolution to the contrary, (i) the Authority shall not be required to have in the Redemption Fund, or otherwise available and set aside in the General Receipts Fund, an amount sufficient to effect the redemption of any 2024 Series B Bonds prior to the notice of optional redemption being sent by the Trustee, and (ii) any such notice of optional redemption of any 2024 Series B Bonds may, at

the direction of an Authorized Representative, state that it is conditional in nature and may be rescinded at any time on or before the business day prior to the redemption date, together with the terms under which notice of any such rescission is to be provided to the Bondowners. If such notice is rescinded any such 2024 Series B Bonds that were subject to the notice of redemption shall remain Outstanding Bonds.

209. Sale of 2024 Series B Bonds. An Authorized Representative is authorized to negotiate, execute and deliver, on behalf of the Authority, the Purchase Contract, in substantially the form presented to this meeting, with such changes as an Authorized Representative deems necessary and desirable and not materially adverse to the Authority, for purchase of the 2024 Series B Bonds at the price(s) and with compensation to the Underwriters, all as set forth therein. Approval of the Purchase Contract, and the purchase price set forth therein, shall be evidenced by the execution of the Purchase Contract by an Authorized Representative.

210. Expenses. The Authority's Expenses with respect to the 2024 Series B Bonds for a Fiscal Year may not exceed an amount equal to one quarter of one percent (0.25%) of the greater of the aggregate principal amount of all Outstanding 2024 Series B Bonds or the aggregate principal amount of the outstanding 2024 Series B Mortgage Loans, all as of the first day of such Fiscal Year.

ARTICLE III REQUIREMENTS AND FUNDS

301. Debt Reserve Requirement. (a) The Debt Reserve Requirement with respect to the 2024 Series B Bonds is hereby determined to be an amount equal to four percent (4%) of the sum of (i) the outstanding principal balance of 2024 Series B Mortgage Loans and 2024 Series B Down Payment Assistance Loans allocated to the 2024 Series B Bonds (except 2024 Series B Mortgage Loans underlying certificates of the Government National Mortgage Association or the Federal National Mortgage Association), (ii) the amount on deposit in the 2024 Series B Bond Proceeds Fund and allocated to the purchase or financing of 2024 Series B Mortgage Loans (except 2024 Series B Mortgage Loans underlying certificates of the Government National Mortgage Association or the Federal National Mortgage Association), and (iii) the amount on deposit in the Down Payment Assistance Fund allocated to the 2024 Series B Bonds and the financing of 2024 Series B Down Payment Assistance Loans. The deposits to the Capital Reserve Fund made and to be made pursuant to this 2024 Series B Resolution will be in the form of cash and Investment Obligations which may be used for the purposes of the Capital Reserve Fund; provided however, that the Authority may in lieu of or in replacement of or in addition to all or a portion of the deposits to the Capital Reserve Fund, obtain and pledge to the Capital Reserve Fund Letter(s) of Credit and/or Surety Bond(s), which Letter(s) of Credit or a portion thereof shall be exclusively available to be drawn on and which Surety Bond(s) or a portion thereof shall unconditionally and irrevocably guarantee payment for the purposes of the Capital Reserve Fund. Any moneys so replaced by Letter(s) of Credit and/or Surety Bond(s) or a portion thereof shall be withdrawn by the Trustee and deposited in the Bond Proceeds Fund. The amount of moneys on deposit in the Capital Reserve Fund, or the amount of Letter(s) of Credit pledged to and exclusively available to be drawn on or Surety Bond(s) pledged to unconditionally and irrevocably guarantee payment for the purposes of the Capital Reserve Fund which, when combined with any moneys on deposit therein, and any other Letter(s) of Credit pledged thereto and exclusively available to be drawn on or Surety Bond(s)

which shall unconditionally and irrevocably guarantee payment for the purposes thereof, shall equal the Capital Reserve Fund Requirement.

(b) If at any time the Trustee is required by Section 407 of the General Resolution to transfer moneys from the Capital Reserve Fund to the Debt Service Fund, the Trustee shall make such transfer to the Debt Service Fund from any moneys which shall then be on deposit in the Capital Reserve Fund, and if the moneys in the Capital Reserve Fund are not sufficient to make up the deficiency in the Debt Service Fund, the Trustee shall make a draw under any Letter(s) of Credit or make a demand for payment under any Surety Bond(s) which may be pledged to the Capital Reserve Fund and deposit such proceeds to the Debt Service Fund to the extent of the deficiency in the Debt Service Fund.

302. The Loan Loss Fund.

(a) The repayment of the 2024 Series B Bonds shall be further secured by a pledge of the amounts on deposit in the Loan Loss Fund as created by the Loan Loss Fund Resolution. The 2024 Series B Resolution shall be deemed to be a Single-Family Bond Resolution for purposes of the Loan Loss Fund Resolution. The Loan Loss Fund Requirement with respect to the 2024 Series B Bonds shall be zero (\$0), and, accordingly, the Authority shall not be required to deposit any moneys into the Loan Loss Fund prior to the disbursement of proceeds from the Bond Proceeds Fund for the financing of a 2024 Series B Mortgage Loan.

(b) If at any time moneys in the General Receipts Fund are not sufficient to permit the transfer of moneys to the Debt Service Fund required by Section 403 of the General Resolution, the Trustee shall make up such a deficiency first, by the withdrawal and transfer to the Debt Service Fund of money from any amounts which shall then be on deposit in the Loan Loss Fund, and if the amount in the Loan Loss Fund is not sufficient to make up such deficiencies, and second by a draw under any Letter(s) of Credit or a demand for payment under any Surety Bond(s) which may be pledged to the Loan Loss Fund and the deposit of such proceeds to the Debt Service Fund. Furthermore, in the event there shall be on any date on which an interest or principal payment (including any Sinking Fund Requirement) shall be due, a deficiency in the amounts in the Debt Service Fund to be applied to the payment of liquidity fees, interest or principal or a Redemption Price of the Bonds pursuant to Section 404(a) or (b) of the General Resolution but prior to any transfer to the Debt Service Fund from the Redemption Fund pursuant to Section 405 of the General Resolution or the Capital Reserve Fund pursuant to Section 406 of the General Resolution, the Trustee first shall make up such a deficiency by the withdrawal of moneys from the Loan Loss Fund and the transfer thereof to the Debt Service Fund, and second, if required, by a draw under any Letter(s) of Credit or a demand for payment under any Surety Bond(s) which may be pledged to the Loan Loss Fund and the transfer of such proceeds to the Debt Service Fund.

(c) Amounts on deposit in the Loan Loss Fund shall not be included in any calculation made in connection with any Cash Flow Statement or pursuant to Section 403(e)(3) of the General Resolution.

303. Deposits into Funds.

(a) The proceeds of the 2024 Series B Bonds shall be deposited into the Bond Proceeds Fund and shall be invested by the Trustee pursuant to instructions from the Authority only in Investment Obligations, which shall include, for purposes of this 2024 Series B Resolution, an investment agreement secured or unsecured as determined by an Authorized Representative, guaranteed by an institution whose debt securities are rated at least the then existing rating on the Bonds (or the highest rating of short-term obligations if the investment is a short-term obligation) by each Rating Agency. Proceeds of the 2024 Series B Bonds in an amount sufficient to satisfy the Capital Reserve Fund Requirement relating to the 2024 Series B Bonds shall be promptly transferred by the Trustee to the Capital Reserve Fund. In the event that the Authority shall elect to obtain and pledge to the Capital Reserve Fund Letter(s) of Credit and/or Surety Bond(s) in an amount sufficient to satisfy all or a portion of the Capital Reserve Fund Requirement in lieu of or in replacement of or in addition to the deposits to the Capital Reserve Fund, any moneys so replaced provided by 2024 Series B Bond proceeds shall be promptly withdrawn by the Trustee and paid to the Authority for deposit in the Bond Proceeds Fund. Proceeds of the 2024 Series B Bonds in an amount not to exceed the limitation set forth in this Resolution, and as set forth in the Purchase Contract, shall be promptly transferred by the Trustee to the Down Payment Assistance Fund.

(b) All moneys representing accrued interest on the 2024 Series B Bonds, if any, shall be deposited to the credit of the General Receipts Fund (to be applied to the payment of interest on the 2024 Series B Bonds on the first applicable interest payment date).

304. Reserved.

305. Series Program Determinations. Each newly originated 2024 Series B Mortgage Loan shall have the following terms, conditions, provisions and limitations:

(a) The promissory note for each 2024 Series B Mortgage Loan must be payable or endorsed to the Authority, and such 2024 Series B Mortgage Loan must (i) be originated in the name of the Authority, (ii) be assigned to the Authority, or (iii) be originated in the name of a nominee who shall register the Authority as the owner of a beneficial interest in such 2024 Series B Mortgage Loan, and such 2024 Series B Mortgage Loan must have a servicer that tracks servicing of such 2024 Series B Mortgage Loan pursuant to a written agreement with the Authority relating thereto;

(b) Each 2024 Series B Mortgage Loan (i) shall be for a term not exceeding thirty (30) years, (ii) shall have a rate or rates of interest fixed at the time of origination, and (iii) shall either have approximately equal monthly payments for each rate of interest borne by such 2024 Series B Mortgage Loan, or at the option of the Authority, shall have monthly payments that increase on a predetermined basis over the life of such 2024 Series B Mortgage Loan;

(c) Each 2024 Series B Mortgage Loan shall relate to a residence which shall be the principal residence of the mortgagor within a reasonable time after the closing of such 2024 Series B Mortgage Loan;

(d) Each 2024 Series B Mortgage Loan shall relate to a single-family residential structure or condominium unit;

(e) (1) Except for 2024 Series B Mortgage Loans that are 2024 Series B Home Improvement Mortgage Loans, each 2024 Series B Mortgage Loan shall be insured under an insurance contract, or guaranteed under a guarantee agreement, requiring benefits to be paid to the Authority following default by the mortgagor in the payment of principal or interest on the 2024 Series B Mortgage Loan in an amount which, when combined with the down payment applicable to such 2024 Series B Mortgage Loan (irrespective of the source of funds therefor), is equal to an amount in excess of eighteen percent (18%) of the purchase price of the residence; provided, however, that any such insurance shall not be initially required or may be terminated when the principal balance of the 2024 Series B Mortgage Loan is eighty percent (80%) or less of the original purchase price of the residence; and

(2) If applicable law shall not permit the Authority, or if the Authority anticipates that applicable law will not permit it, to require a mortgagor under a 2024 Series B Mortgage Loan, or a person on behalf of such mortgagor, to pay for the mortgage insurance described in paragraph (1) of this subsection, then the Authority shall pay for such mortgage insurance from moneys available under the General Resolution or otherwise, except to the extent that:

(i) the Authority either:

(A) does not pay for such mortgage insurance from moneys available under the General Resolution or otherwise; or

(B) provides additional reserves, insurance, sureties or cash equivalents as security or makes other covenants regarding the 2024 Series B Bonds; and

(ii) the taking of the action described in clause (A) or (B) above, does not, by itself, or in combination with other factors, result in a reduction in the then-current unenhanced rating of the Bonds;

(f) Except for 2024 Series B Mortgage Loans that are 2024 Series B Home Improvement Mortgage Loans, the 2024 Series B Mortgage Loans shall be: (i) conventional mortgage loans, (ii) insured by the Federal Housing Administration, (iii) guaranteed by the United States Department of Veterans' Affairs, or (iv) guaranteed by the Rural Housing Service of the United States Department of Agriculture;

(g) Except for 2024 Series B Mortgage Loans that are 2024 Series B Home Improvement Mortgage Loans, a 2024 Series B Mortgage Loan shall be used for the purchase of a residence or both the purchase and rehabilitation of a residence;

(h) Each 2024 Series B Home Improvement Mortgage Loan shall be: (i) insured under the Federal Housing Administration Title 1 Property Improvement Loan Program, and (ii) used to finance improvements to a year-round residence located in Michigan;

(i) 2024 Series B Home Improvement Mortgage Loans are not required to be evidenced by a mortgage document that constitutes a first lien on the mortgaged property; and

(j) The Authority shall not sell any 2024 Series B Mortgage Loans or 2024 Series B Down Payment Assistance Loans and use the proceeds of such sale to redeem 2024 Series B Bonds as provided in Section 206 hereof except for 2024 Series B Mortgage Loans or 2024 Series B Down Payment Assistance Loans (i) that are in default or (ii) that do not comply with the Authority's Program requirements.

306. Covenant as to Disposition of Principal Prepayments and 2024 Series B Down Payment Assistance Loan Principal Prepayments. Subject to the provisions of Section 403 of the General Resolution and Section 206 hereof, the Authority shall direct the Trustee to transfer Revenues in an amount equal to and representing (a) the Principal Prepayments derived from 2024 Series B Mortgage Loans from the General Receipts Fund to the Redemption Fund or the Bond Proceeds Fund, provided that any such Revenues deposited in the Bond Proceeds Fund must be transferred to the Redemption Fund within twelve (12) months of such deposit if not used for the purpose of financing Mortgage Loans within such one-year period and (b) the 2024 Series B Down Payment Assistance Loan Principal Prepayments from the General Receipts Fund to the Redemption Fund or the Down Payment Assistance Fund, provided that any such Revenues deposited in the Down Payment Assistance Fund must be transferred to the Redemption Fund within twelve (12) months of such deposit if not used for the purpose of financing 2024 Series B Down Payment Assistance Loans within such one-year period.

307. Down Payment Assistance Fund.

(a) Amounts on deposit in the Down Payment Assistance Fund shall be used as provided in this 2024 Series B Resolution with respect to moneys received by the Authority in connection with the issuance of the 2024 Series B Bonds.

(b) Amounts on deposit in the Down Payment Assistance Fund received by the Authority in connection with the issuance of the 2024 Series B Bonds, if any, and any additional amounts deposited by the Authority in the Down Payment Assistance Fund in respect of the 2024 Series B Bonds as hereinafter provided, if any, shall be used, upon Authority Request, to finance 2024 Series B Down Payment Assistance Loans. The Authority may, from time to time, direct that additional amounts be deposited in the Down Payment Assistance Fund in respect of the 2024 Series B Bonds from unrestricted Authority funds for the purpose of financing additional 2024 Series B Down Payment Assistance Loans. No amounts on deposit in the Down Payment Assistance Fund shall be used to finance Mortgage Loans. Each 2024 Series B Down Payment Assistance Loan shall have the following terms, conditions, provisions and limitations:

(i) Each 2024 Series B Down Payment Assistance Loan shall be made to provide down payment assistance only to a mortgagor who has received a Mortgage Loan;

(ii) Each 2024 Series B Down Payment Assistance Loan shall be evidenced by a promissory note and a mortgage document which has been properly recorded and constitutes a valid second lien on the property subject only to the mortgage securing the related Mortgage Loan and real property taxes or assessments not yet due; provided, that if the related Mortgage Loan is refinanced with proceeds of an Authority financed mortgage loan (an “Authority Refinance Loan”), at the option of the Authority, the 2024 Series B Down Payment Assistance Loan may be subordinated to the related Authority Refinance Loan;

(iii) The promissory note for each 2024 Series B Down Payment Assistance Loan must be payable or endorsed to the Authority and the 2024 Series B Down Payment Assistance Loan must be originated in the name of the Authority or be assigned to the Authority;

(iv) Each 2024 Series B Down Payment Assistance Loan shall be in a principal amount not to exceed Fifteen Thousand Dollars (\$15,000); and

(v) Each 2024 Series B Down Payment Assistance Loan shall be for a term not exceeding the term of the related Mortgage Loan, shall bear interest as determined by the Authority and shall be payable on the earliest of (A) the sale of the residence to which such 2024 Series B Down Payment Assistance Loan relates, (B) the maturity date thereof, or (C) the date of payment in full of the related Mortgage Loan (or if the related Mortgage Loan has been refinanced with an Authority Refinance Loan, the date of payment in full of such related Authority Refinance Loan if approved by the Authority).

(c) Amounts on deposit in the Down Payment Assistance Fund may be transferred at any time, upon Authority Request, to the Bond Proceeds Fund.

(d) The Authority does hereby pledge, convey and assign the 2024 Series B Down Payment Assistance Loans as security for the payment of the Bonds and the interest and redemption premium, if any, thereon and for the equal and proportionate benefit and security from time to time, of the Owners of the Bonds without preference, priority or distinction as to lien or otherwise. Any 2024 Series B Down Payment Assistance Loans shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority, irrespective of whether such parties have notice thereof, and neither this 2024 Series B Resolution nor any instruments by which a pledge is created need be recorded. All moneys received by or on behalf of the Authority representing principal and interest payments on the 2024 Series B Down Payment Assistance Loans including all 2024 Series B Down Payment Assistance Loan Principal Prepayments representing the same shall constitute “Revenues” for purposes of the General Resolution and shall be deposited in the General Receipts Fund.

(e) Amounts on deposit in the Down Payment Assistance Fund in respect of the 2024 Series B Down Payment Assistance Loans shall be taken into account when preparing a Cash Flow Statement in accordance with Section 608 of the General Resolution. In addition to the requirements for filing a Cash Flow Statement set forth in Section 608 of the General Resolution, the Authority shall file with the Trustee a current Cash Flow Statement prior to transferring amounts to the Down Payment Assistance Fund to finance 2024 Series B Down Payment Assistance Loans

in excess of the amounts contemplated in the last Cash Flow Statement to be so transferred, or prior to applying amounts previously transferred to the Down Payment Assistance Fund to finance 2024 Series B Down Payment Assistance Loans on terms materially different from those assumed in the last Cash Flow Statement. Upon filing a Cash Flow Statement with the Trustee, the Authority shall thereafter administer its program for making 2024 Series B Down Payment Assistance Loans in all material respects in accordance with the assumptions set forth in such Cash Flow Statement. Except as necessary to dispose of defaulted 2024 Series B Down Payment Assistance Loans or to comply with requirements of the Authority relating to its program for making 2024 Series B Down Payment Assistance Loans, if the Cash Flow Statement delivered in connection with any sale of 2024 Series B Down Payment Assistance Loans at a price below book value does not project Revenues sufficient to pay Expenses and debt service on the Bonds when due in each bond year, an Authorized Representative must certify to the Trustee that the projected deficiency in each bond year is less than it would have been if all or a portion of the amounts transferred or used had been applied to the financing of 2024 Series B Down Payment Assistance Loans or invested in Investment Obligations on terms then available.

ARTICLE IV FORMS, EXECUTION AND DELIVERY OF 2024 SERIES B BONDS

401. Forms of 2024 Series B Bonds. Subject to the provisions of the General Resolution, the form of the 2024 Series B Bonds and the Certificate of Authentication with respect thereto are hereby approved substantially in the forms attached as Exhibits A and B, respectively, with necessary or appropriate variations, omissions and insertions as are incidental to their numbers, denominations, maturities, interest rate or rates, redemption provisions and other details thereof.

402. Execution and Delivery of 2024 Series B Bonds. (a) The 2024 Series B Bonds shall be executed in the name of the Authority by the manual or facsimile signature of either its Chairperson or Chief Executive Officer and Executive Director and the corporate seal of the Authority (or a facsimile thereof) shall be impressed or imprinted thereon in accordance with the provisions of Section 204 of the General Resolution. The 2024 Series B Bonds shall be authenticated by the manual signature of an authorized signer of the Trustee.

(b) The 2024 Series B Bonds shall be delivered by an Authorized Representative to the Purchasers in New York, New York, Lansing, Michigan, or any other location mutually agreeable to the Authority and the Purchasers, upon payment of the purchase price plus accrued interest, if any, on the 2024 Series B Bonds from the date thereof to the date of delivery in immediately available Federal Reserve Funds available to the Authority at the time or times and place or places of delivery.

(c) Initially, one fully-registered 2024 Series B Bond (a “2024 Series B Bond”) for each maturity of 2024 Series B Bonds, in the aggregate principal amount of such maturity, shall be issued in the name of Cede & Co., as nominee of DTC.

403. Global Form; Securities Depository.

(a) Except as otherwise provided in this Section, the 2024 Series B Bonds shall be in the form of the 2024 Series B Bond, shall be registered in the name of the Securities Depository or its nominee and ownership thereof shall be maintained in book entry form by the Securities Depository for the account of the Agent Members thereof. Except as provided in subsection (c) of this Section, 2024 Series B Bonds may be transferred, in whole but not in part, only to the Securities Depository or a nominee of the Securities Depository, or to a successor Securities Depository selected by the Authority, or to a nominee of such successor Securities Depository.

(b) The Authority and the Trustee shall have no responsibility or obligation with respect to:

(i) the accuracy of the records of the Securities Depository or any Agent Member with respect to any beneficial ownership interest in the 2024 Series B Bonds;

(ii) the delivery to any Agent Member, beneficial owner of the 2024 Series B Bonds or other person, other than the Securities Depository, of any notice with respect to the 2024 Series B Bonds;

(iii) the payment to any Agent Member, beneficial owner of the Bonds or other person, other than the Securities Depository of any amount with respect to the principal of, premium, if any, or interest on, the 2024 Series B Bonds;

(iv) any consent given by Cede & Co. as Bondowner of the 2024 Series B Bonds or any successor nominee of a Securities Depository as Bondowner of such Bonds; or

(v) the selection by the Securities Depository or any Agent Member of any beneficial owners to receive payment if any 2024 Series B Bonds are redeemed in part.

So long as the certificates for the 2024 Series B Bonds are not issued pursuant to subsection (c) of this Section 403, the Authority and the Trustee may treat the Securities Depository as, and deem the Securities Depository to be, the absolute owner of such 2024 Series B Bonds for all purposes whatsoever, including without limitation:

(1) the payment of principal, premium, if any, and interest on such 2024 Series B Bond;

(2) giving notices of redemption and other matters with respect to such 2024 Series B Bond; and

(3) registering transfers with respect to such 2024 Series B Bond.

(c) If at any time the Securities Depository notifies the Authority or the Trustee that it is unwilling or unable to continue as Securities Depository with respect to the 2024 Series B Bonds or if at any time the Securities Depository shall no longer be registered or in good standing under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation and a successor Securities Depository is not appointed by the Authority within ninety (90) days after the Authority or the Trustee receives notice or becomes aware of such condition, as the case may be, subsections (a) and (b) of this Section shall no longer be applicable and the Authority shall execute and the Trustee shall authenticate and deliver certificates representing the 2024 Series B Bonds as provided in subsection (d) below. In addition, the Authority may determine at any time that the 2024 Series B Bonds shall no longer be represented by global certificates and that the provisions of subsections (a) and (b) above shall no longer apply to the 2024 Series B Bonds. In any such event the Authority shall execute and the Trustee shall authenticate and deliver certificates representing the 2024 Series B Bonds as provided in subsection (d) below.

(d) Certificates for the 2024 Series B Bonds issued in exchange for global certificates shall be registered in such names and authorized denominations as the Securities Depository, pursuant to instructions from the Agent Members or otherwise, shall instruct the Authority and the Trustee. The Trustee shall deliver such certificates representing the 2024 Series B Bonds to the persons in whose names such 2024 Series B Bonds are so registered as soon as practicable.

404. Conflict With Representation Letter. Notwithstanding any other provision of this 2024 Series B Resolution to the contrary, so long as any 2024 Series B Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal or Redemption Price of and interest, if any, on such 2024 Series B Bond, and all notices with respect to such 2024 Series B Bond shall be made and given, respectively, to DTC as provided in the Representation Letter.

ARTICLE V MISCELLANEOUS

501. Ratification of Actions. The actions of any Authorized Representative heretofore taken pursuant to the provisions of the General Resolution including, but not limited to: the publishing of notice and the conducting of a hearing with respect to the issuance of the 2024 Series B Bonds, the making of presentations to security rating agencies, the undertaking of discussions and negotiations with underwriters or groups of underwriters or purchasers regarding offers to purchase the 2024 Series B Bonds, be, and they hereby are, ratified and confirmed in all respects.

502. Authorization of Actions. (a) Any Authorized Representative is hereby authorized and directed to execute such other documents and certifications, and to perform such other acts as may be necessary or convenient for the proper sale, execution and delivery of the 2024 Series B Bonds subject to, and as may be required by the Purchase Contract, the General Resolution and this 2024 Series B Resolution.

(b) Any Authorized Representative is hereby authorized to pay from the General Operating Fund all funds necessary to pay the costs of issuance, including the Underwriters' fee and placement fee, if applicable, of the 2024 Series B Bonds not paid from the proceeds of the 2024 Series B Bonds, and to make the deposit of moneys, or obtain Letter(s) of Credit and/or Surety Bond(s), or an increase in the amount of existing Letter(s) of Credit and/or Surety Bond(s), as provided by Section 503 hereof.

503. Authorization of Procurement of Letter(s) of Credit and/or Surety Bond(s) and Execution of Reimbursement Agreement and/or Guaranty Agreement; Notice to the Trustee.

Any Authorized Representative hereby is authorized to obtain Letter(s) of Credit and/or Surety Bond(s), to obtain an increase in the amount of existing Letter(s) of Credit and/or Surety Bonds or to obtain a replacement for existing Letter(s) of Credit and/or Surety Bond(s) for application in lieu of the deposit of moneys to the Capital Reserve Fund as specifically authorized in this 2024 Series B Resolution. In connection with the procurement of the foregoing Letter(s) of Credit and/or Surety Bond(s) or the increase in the amount of existing Letter(s) of Credit and/or Surety Bond(s), the Authorized Representative is authorized, if necessary, to negotiate and execute a reimbursement agreement, or, if necessary, an amendment to any existing reimbursement agreement, with a banking institution, or a guaranty agreement, or, if necessary, an amendment to an existing guaranty agreement, with an insurance company, as appropriate. The annual fees (in addition to any expense reimbursements) paid to the banking institution for the procurement of Letter(s) of Credit shall not exceed one half of one percent (0.5%) of the cumulative amount of the Letter(s) of Credit, the fee to be paid by the Authority for any Surety Bond(s) shall not exceed two percent (2%) of the Surety Bond Coverage relating thereto. The Authority shall give the Trustee sixty (60) days' written notice prior to the expiration of any Letter(s) of Credit obtained pursuant to this 2024 Series B Resolution.

504. Preliminary Official Statement. The form of the Preliminary Official Statement of the Authority with respect to the initial offering of the 2024 Series B Bonds, substantially in the form presented to this meeting, is hereby approved and the distribution thereof by the Underwriters is hereby authorized, with such changes, omissions, insertions and revisions as an Authorized Representative shall deem advisable or appropriate. The delivery of a certificate relating to the Preliminary Official Statement for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, is also approved.

505. Final Official Statement. The form of the Preliminary Official Statement of the Authority is hereby authorized and approved as the final Official Statement of the Authority, with such changes, omissions, insertions and revisions as an Authorized Representative shall deem advisable or appropriate. Any Authorized Representative is hereby authorized to execute such final Official Statement and deliver it to the Underwriters for distribution on behalf of the Authority.

506. Reserved.

507. Trustee Not Responsible for Official Statement. The recitals, statements and representations contained in the Preliminary Official Statement and the Official Statement shall be taken and construed as made by and on the part of the Authority and not by the Trustee, and the Trustee assumes and shall be under no responsibility for the correctness of the same.

508. Notice of Redemption.

(a) At least thirty (30) days but no more than ninety (90) days before the redemption date of any 2024 Series B Bonds, the Trustee shall cause a notice of any redemption of 2024 Series B Bonds, either in whole or in part, to be sent by registered or certified mail or by overnight delivery, to the Securities Depository at least two (2) business days (a business day being a day when such Securities Depository is open for business) prior to the date of general mailing of any notice of redemption.

(b) In addition, a second duplicate notice in writing shall be mailed by certified mail, postage prepaid, return receipt requested, to any registered owner of 2024 Series B Bonds to be redeemed who has not presented and surrendered such 2024 Series B Bonds to the Trustee for redemption within thirty (30) days after the date of redemption.

(c) In addition to the requirements set forth in Section 302 of the General Resolution, a notice of any such redemption shall include the following information with respect to the 2024 Series B Bonds to be so redeemed: the complete title of the 2024 Series B Bonds, the CUSIP numbers of the 2024 Series B Bonds to be redeemed, the date of general mailing of such notice of redemption, the complete name of the Trustee including the telephone number for inquiries, the maturity date and the interest rate (if applicable) of the 2024 Series B Bonds.

(d) Failure to receive any such notices by any such registered owner shall not affect the validity of the proceedings for the redemption of the 2024 Series B Bonds.

509. Continuing Disclosure. The 2024 Series B Bonds are hereby made subject to the Second Master Continuing Disclosure Undertaking-Single Family Mortgage Revenue Bonds, dated as of April 1, 2019, and the Authority agrees to abide by the provisions thereof so long as any of the 2024 Series B Bonds are Outstanding.

510. Notices to Rating Agency. The Authority hereby covenants and agrees that it will send written notice to S&P at 55 Water Street, 38th Floor, New York, New York 10041 and to Moody's at 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, of the occurrence of any of the following events with respect to the 2024 Series B Bonds:

- (a) any acceleration of payment of the principal of and interest on the 2024 Series B Bonds;
- (b) any amendments to this 2024 Series B Resolution or the General Resolution;
- (c) any successor to the Trustee under the General Resolution; and
- (d) any defeasance or redemption in whole of the 2024 Series B Bonds.

511. Effective Date. This 2024 Series B Resolution shall take effect immediately. If the 2024 Series B Bonds are not delivered to the Purchasers on or before April 30, 2024, the authority granted by this 2024 Series B Resolution shall lapse.

EXHIBIT A

[FORM OF 2024 SERIES B BOND]

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Authority or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
SINGLE-FAMILY MORTGAGE REVENUE BOND, 2024 SERIES B
(FEDERALLY TAXABLE)

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
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REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT:

The Michigan State Housing Development Authority (the “Authority”), a public body corporate and politic, organized and existing under and by virtue of the laws of the State of Michigan, acknowledges itself indebted to, and for value received, hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above, on the Maturity Date specified above, unless redeemed prior thereto as hereinafter provided, upon the presentation and surrender hereof at the principal corporate trust office of U.S. Bank Trust Company, National Association in St. Paul, Minnesota (the “Trustee”), as Trustee under the Resolution of the Authority adopted December 17, 1987, authorizing the issuance of Michigan State Housing Development Authority Single-Family Mortgage Revenue Bonds, as amended and supplemented (the “General Resolution”), or its successor as Trustee, and to pay to the registered owner by check or draft mailed to the registered owner on the fifteenth (15th) day of the month preceding the interest payment date at such owner’s address as shown on the registration books of the Authority, as maintained by the Trustee, interest on such Principal Amount from the date hereof to the date of maturity or earlier redemption of this 2024 Series B Bond at the Interest Rate per annum specified above on _____, 20__, and semiannually thereafter on the first day of December and June. The principal or Redemption Price (as defined in the General Resolution) of this 2024 Series B Bond is payable upon presentation in any coin or currency of the United States of America which, on the respective dates of payment, shall be legal tender for the payment of public and private debts.

THE STATE OF MICHIGAN IS NOT LIABLE ON THIS 2024 SERIES B BOND AND THIS 2024 SERIES B BOND IS NOT A DEBT OF THE STATE OF MICHIGAN. THE AUTHORITY HAS NO TAXING POWER.

Capitalized terms used herein and not otherwise defined shall have the meaning assigned such term in the hereinafter defined 2024 Series B Resolution.

Subject to any agreements now or hereafter made with the owners of any other notes or bonds of the Authority pledging any particular receipts or revenues, this 2024 Series B Bond is a general obligation of the Authority and the full faith and credit of the Authority are hereby pledged for the payment of the principal or Redemption Price of and interest on this 2024 Series B Bond. This 2024 Series B Bond is one of a duly authorized issue of Bonds of the Authority designated “Single-Family Mortgage Revenue Bonds” (the “Bonds”), issued and to be issued in various series under and pursuant to Act No. 346 of the Public Acts of 1966 of the State of Michigan, as amended (herein called the “Act”), and under and pursuant to the General Resolution and a series resolution authorizing the issuance and sale of each such series. As provided in the General Resolution, the Bonds may be issued from time to time in one or more series, in various principal amounts, may mature at different times, may bear interest, if any, at different rates and, subject to the provisions thereof, may otherwise vary. The aggregate principal amount of Bonds which may be issued under the General Resolution is not limited except as provided in the General Resolution, and all Bonds issued and to be issued under the General Resolution are and will be equally secured by the pledges and covenants made therein, except as otherwise expressly provided or permitted in the General Resolution.

This 2024 Series B Bond is one of a series of Bonds designated “Single-Family Mortgage Revenue Bonds, 2024 Series B (Federally Taxable)” (the “2024 Series B Bonds”) issued in the initial aggregate principal amount of _____ Dollars (\$ _____) under the General Resolution and the Series Resolution Authorizing the Issuance and Sale of Single-Family Mortgage Revenue Bonds, 2024 Series B in an Amount not to Exceed \$275,000,000, adopted on February 15, 2024 (the “2024 Series B Resolution”) (the General Resolution and the 2024 Series B Resolution are collectively herein called the “Resolutions”). The proceeds of the 2024 Series B Bonds will be utilized by the Authority as provided in the Resolutions. The 2024 Series B Bonds will be secured by a pledge of the Pledged Property (as defined in the General Resolution) which includes the mortgage repayments required to be paid on the mortgage loans financed with the proceeds of the 2024 Series B Bonds, the Down Payment Assistance Fund established under the Authority’s Series Resolution Authorizing the Issuance and Sale of its Single-Family Mortgage Revenue Bonds, 2003 Series B adopted on November 19, 2003 (the “2003 Series B Resolution”) and the repayments required to be paid on the down payment assistance loans financed with the proceeds of the 2024 Series B Bonds and will be further secured by the Loan Loss Fund established under the Authority’s Resolution Establishing Single-Family Loan Loss Fund adopted on July 8, 1988, as supplemented (the “Loan Loss Fund Resolution”). Copies of the Resolutions, the 2003 Series B Resolution and the Loan Loss Fund Resolution are on file in the office of the Authority and at the corporate trust office of the Trustee, and reference to the Resolutions, the 2003 Series B Resolution and the Loan Loss Fund Resolution and any and all supplements thereto and modifications and amendments thereof and to the Act are made for a description of the pledges and covenants securing the 2024 Series B Bonds, the nature, extent and

manner of enforcement of such pledges, the rights and remedies of the registered owners of the 2024 Series B Bonds with respect thereto and the terms and conditions upon which the 2024 Series B Bonds are issued and may be issued thereunder. To the extent and in the manner permitted by the terms of the Resolutions, the 2003 Series B Resolution and the Loan Loss Fund Resolution, the provisions of the Resolutions, the 2003 Series B Resolution and the Loan Loss Fund Resolution or any resolution amendatory thereof or supplemental thereto, may be modified or amended.

This 2024 Series B Bond is transferable, as provided in the Resolutions, only upon the books of the Authority kept for that purpose at the corporate trust office of the Trustee by the registered owner hereof in person, or by an attorney duly authorized in writing, upon the surrender of this 2024 Series B Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his attorney duly authorized in writing, and thereupon a new registered 2024 Series B Bond or 2024 Series B Bonds, and in the same aggregate principal amount and of the same interest rate and maturity, shall be issued to the transferee in exchange therefor as provided in the Resolutions, and upon the payment of the charges, if any, therein prescribed.

The 2024 Series B Bonds are issuable in the form of fully-registered Bonds without coupons in the denomination of Five Thousand Dollars (\$5,000) or any integral multiple thereof not exceeding the aggregate principal amount for each maturity of such 2024 Series B Bonds.

The 2024 Series B Bonds are subject to redemption prior to maturity as provided in the 2024 Series B Resolution. Notice of any such redemption shall be given to the registered owners of any 2024 Series B Bonds or portions thereof to be redeemed as provided in the 2024 Series B Resolution.

This 2024 Series B Bond shall not be valid or become obligatory for any purpose until the Trustee's Certificate of Authentication hereon shall have been executed by the Trustee.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and statutes of the State of Michigan and the Resolutions to exist, to have happened and to have been performed precedent to and in the issuance of this 2024 Series B Bond, exist, have happened and have been performed in due time, form and manner as required by law, and that the issue of the 2024 Series B Bonds, together with all other indebtedness of the Authority is within every debt and other limit prescribed by law.

IN WITNESS WHEREOF, the Michigan State Housing Development Authority has caused this 2024 Series B Bond to be executed in its name by the facsimile signature of its Chief Executive Officer and Executive Director and its corporate seal (or a facsimile thereof) to be impressed or imprinted hereon, all as of the Date of Original Issue as set forth above.

MICHIGAN STATE HOUSING DEVELOPMENT
AUTHORITY

(Seal)

By _____
Its Chief Executive Officer
and Executive Director

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the 2024 Series B Bonds described in the within-mentioned 2024 Series B Resolution.

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, Trustee

By: _____
Authorized Representative

Date of Authentication:

EXHIBIT B

[FORM OF 2024 SERIES B BOND (CAPITAL APPRECIATION BOND)]

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Authority or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
SINGLE-FAMILY MORTGAGE REVENUE BOND, 2024 SERIES B
(FEDERALLY TAXABLE) (CAPITAL APPRECIATION BOND)

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>Original Principal Amount per \$5,000 at Maturity</u>	<u>CUSIP</u>
Zero				

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT IF HELD TO MATURITY: _____

The Michigan State Housing Development Authority (the “Authority”), a public body corporate and politic, organized and existing under and by virtue of the laws of the State of Michigan, acknowledges itself indebted to, and for value received, hereby promises to pay to the Registered Owner specified above, or registered assigns, on the date the principal of this 2024 Series B Bond shall become payable, the Appreciated Amount (as defined in the 2024 Series B Resolution identified below) as hereinafter provided, upon the presentation and surrender hereof at the principal corporate trust office of U.S. Bank Trust Company, National Association in St. Paul, Minnesota (the “Trustee”), as Trustee under the Resolution of the Authority adopted December 17, 1987, authorizing the issuance of Michigan State Housing Development Authority Single-Family Mortgage Revenue Bonds, as amended and supplemented (the “General Resolution”), or its successor as Trustee. Unless this 2024 Series B Bond shall have been redeemed or an acceleration of its maturity shall have occurred, all as hereinafter provided, the Appreciated Amount of this 2024 Series B Bond shall become due on the Maturity Date specified above. The Appreciated Amount or Redemption Price (as defined in the General Resolution) of this 2024 Series B Bond is payable upon presentation in any coin or currency of the United States of America which, on the respective dates of payment, shall be legal tender for the payment of public and private debts.

Interest shall not be paid on this 2024 Series B Bond except in the case of the failure of the Authority to deposit the Appreciated Amount with the Trustee at the stated maturity hereof in which case such amount owing on this 2024 Series B Bond shall thereafter bear interest at the rate equal to the approximately yield established in the 2024 Series B Resolution from the date of such maturity until such amount plus interest is deposited with the Trustee.

THE STATE OF MICHIGAN IS NOT LIABLE ON THIS 2024 SERIES B BOND AND THIS 2024 SERIES B BOND IS NOT A DEBT OF THE STATE OF MICHIGAN. THE AUTHORITY HAS NO TAXING POWER.

Capitalized terms used herein and not otherwise defined shall have the meaning assigned such term in the hereinafter defined 2024 Series B Resolution.

Subject to any agreements now or hereafter made with the owners of any other notes or bonds of the Authority pledging any particular receipts or revenues, this 2024 Series B Bond is a general obligation of the Authority and the full faith and credit of the Authority are hereby pledged for the payment of the principal or Redemption Price of and interest on this 2024 Series B Bond. This 2024 Series B Bond is one of a duly authorized issue of Bonds of the Authority designated “Single-Family Mortgage Revenue Bonds” (the “Bonds”), issued and to be issued in various series under and pursuant to Act No. 346 of the Public Acts of 1966 of the State of Michigan, as amended (herein called the “Act”), and under and pursuant to the General Resolution and a series resolution authorizing the issuance and sale of each such series. As provided in the General Resolution, the Bonds may be issued from time to time in one or more series, in various principal amounts, may mature at different times, may bear interest, if any, at different rates and, subject to the provisions thereof, may otherwise vary. The aggregate principal amount of Bonds which may be issued under the General Resolution is not limited except as provided in the General Resolution, and all Bonds issued and to be issued under the General Resolution are and will be equally secured by the pledges and covenants made therein, except as otherwise expressly provided or permitted in the General Resolution.

This 2024 Series B Bond is one of a series of Bonds designated “Single-Family Mortgage Revenue Bonds, 2024 Series B (Federally Taxable)” (the “2024 Series B Bonds”) issued in the initial aggregate principal amount of _____ Dollars (\$_____) under the General Resolution and the Series Resolution Authorizing the Issuance and Sale of Single-Family Mortgage Revenue Bonds, 2024 Series B in an Amount not to Exceed \$275,000,000, adopted on February 15, 2024 (the “2024 Series B Resolution”) (the General Resolution and the 2024 Series B Resolution are collectively herein called the “Resolutions”). The proceeds of the 2024 Series B Bonds will be utilized by the Authority as provided in the Resolutions. The 2024 Series B Bonds will be secured by a pledge of the Pledged Property (as defined in the General Resolution) which includes the mortgage repayments required to be paid on the mortgage loans financed with the proceeds of the 2024 Series B Bonds, the Down Payment Assistance Fund established under the Authority’s Series Resolution Authorizing the Issuance and Sale of its Single-Family Mortgage Revenue Bonds, 2003 Series B adopted on November 19, 2003 (the “2003 Series B Resolution”) and the repayments required to be paid on the down payment assistance loans financed with the proceeds of the 2024 Series B Bonds and will be further secured by the Loan Loss Fund established under the Authority’s Resolution Establishing Single-Family Loan Loss Fund

adopted on July 8, 1988, as supplemented (the “Loan Loss Fund Resolution”). Copies of the Resolutions, the 2003 Series B Resolution and the Loan Loss Fund Resolution are on file in the office of the Authority and at the corporate trust office of the Trustee, and reference to the Resolutions, the 2003 Series B Resolution and the Loan Loss Fund Resolution and any and all supplements thereto and modifications and amendments thereof and to the Act are made for a description of the pledges and covenants securing the 2024 Series B Bonds, the nature, extent and manner of enforcement of such pledges, the rights and remedies of the registered owners of the 2024 Series B Bonds with respect thereto and the terms and conditions upon which the 2024 Series B Bonds are issued and may be issued thereunder. To the extent and in the manner permitted by the terms of the Resolutions, the 2003 Series B Resolution and the Loan Loss Fund Resolution, the provisions of the Resolutions, the 2003 Series B Resolution and the Loan Loss Fund Resolution or any resolution amendatory thereof or supplemental thereto, may be modified or amended.

This 2024 Series B Bond is transferable, as provided in the Resolutions, only upon the books of the Authority kept for that purpose at the corporate trust office of the Trustee by the registered owner hereof in person, or by an attorney duly authorized in writing, upon the surrender of this 2024 Series B Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his attorney duly authorized in writing, and thereupon a new registered 2024 Series B Bond or 2024 Series B Bonds, of the same maturity and in the applicable aggregate Appreciated Amount, shall be issued to the transferee in exchange therefor as provided in the Resolutions, and upon the payment of the charges, if any, therein prescribed.

The 2024 Series B Bonds are issuable in the form of fully-registered Bonds without coupons in the denomination of Five Thousand Dollars (\$5,000) or any integral multiple thereof not exceeding the aggregate principal amount for each maturity of such 2024 Series B Bonds.

The 2024 Series B Bonds are subject to redemption prior to maturity as provided in the 2024 Series B Resolution. Notice of any such redemption shall be given to the registered owners of any 2024 Series B Bonds or portions thereof to be redeemed as provided in the 2024 Series B Resolution.

The Appreciated Amount for this 2024 Series B Bond shall be determined as provided in the 2024 Series B Resolution.

This 2024 Series B Bond shall not be valid or become obligatory for any purpose until the Trustee’s Certificate of Authentication hereon shall have been executed by the Trustee.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and statutes of the State of Michigan and the Resolutions to exist, to have happened and to have been performed precedent to and in the issuance of this 2024 Series B Bond, exist, have happened and have been performed in due time, form and manner as required by law, and that the issue of the 2024 Series B Bonds, together with all other indebtedness of the Authority is within every debt and other limit prescribed by law.

IN WITNESS WHEREOF, the Michigan State Housing Development Authority has caused this 2024 Series B Bond to be executed in its name by the facsimile signature of its Chief Executive Officer and Executive Director and its corporate seal (or a facsimile thereof) to be impressed or imprinted hereon, all as of the Date of Original Issue as set forth above.

MICHIGAN STATE HOUSING DEVELOPMENT
AUTHORITY

(Seal)

By _____
Its Chief Executive Officer
and Executive Director

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the 2024 Series B Bonds described in the within-mentioned 2024 Series B Resolution.

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, Trustee

By: _____
Authorized Representative

Date of Authentication:

[End of 2024 Series B Bond Forms]

DRAFT

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
SERIES RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF
SINGLE-FAMILY MORTGAGE REVENUE BONDS, 2024 SERIES C
(FEDERALLY TAXABLE) IN AN AMOUNT NOT TO EXCEED \$50,000,000**

February 15, 2024

WHEREAS, the Members of the Michigan State Housing Development Authority (hereinafter referred to as the “Authority”), by Resolution adopted December 17, 1987, and as supplemented on January 28, 1988, October 12, 1995, January 30, 1997, May 24, 2006 and September 26, 2018 (hereinafter referred to as the “General Resolution”), have authorized the issuance of Single-Family Mortgage Revenue Bonds in one or more Series pursuant to a Series Resolution authorizing the issuance and sale of any such Series; and

WHEREAS, the Members of the Authority have determined that it is necessary and desirable that the Authority issue at this time a Series of Bonds to be designated “Single-Family Mortgage Revenue Bonds, 2024 Series C (Federally Taxable)”, to provide moneys to carry out the purposes of the Authority; and

WHEREAS, pursuant to Section 27(l) of the Act, the Authority proposes to delegate to the Chief Executive Officer and Executive Director, the Chief Financial Officer, the Deputy Director of Finance, the Director of Legal Affairs, the Deputy Director of Legal Affairs, the Chairperson or Vice Chairperson of the Authority (each, together with any person duly appointed and acting in such capacity, hereinafter individually referred to as an “Authorized Representative”) the power to determine certain terms and conditions of the 2024 Series C Bonds (as hereinafter defined), subject to limits established herein and in the General Resolution.

NOW, THEREFORE, BE IT RESOLVED by the Members of the Authority as follows:

**ARTICLE I
AUTHORITY AND DEFINITIONS**

101. 2024 Series C Resolution. This resolution (hereinafter referred to as the “2024 Series C Resolution”) is adopted in accordance with the provisions of Article II of the General Resolution and pursuant to the authority contained in the Act.

102. Definitions.

All terms which are defined in Sections 103 and 104 of Article I of the General Resolution have the same meanings in this 2024 Series C Resolution including the preambles hereto.

“2003 Series B Resolution” means the resolution of the Authority authorizing the issuance and sale of its Single-Family Mortgage Revenue Bonds, 2003 Series B.

“2024 Series C Bonds” means the Bonds authorized by Article II of this 2024 Series C Resolution.

“2024 Series C Down Payment Assistance Loan Principal Prepayments” means any payment by a mortgagor or other recovery of principal on a 2024 Series C Down Payment Assistance Loan which is not applied on a scheduled installment of principal and interest on a 2024 Series C Down Payment Assistance Loan (including any deficiency in the payment of any scheduled installments of principal and interest then due and payable or interest paid in connection with a voluntary prepayment of a 2024 Series C Down Payment Assistance Loan) and the portion of any amounts received in connection with the liquidation of a defaulted 2024 Series C Down Payment Assistance Loan (whether through foreclosure, trustee’s sale or otherwise) or other payments representing such principal amounts, including payments from the sale of a 2024 Series C Down Payment Assistance Loan.

“2024 Series C Down Payment Assistance Loans” means (i) any loan financed or acquired with amounts received in connection with the issuance of the 2024 Series C Bonds or with other amounts made available by the Authority in respect of the 2024 Series C Bonds and deposited in the Down Payment Assistance Fund and pledged hereunder by the Authority in accordance with the Act, evidenced by a mortgage note and secured by a mortgage and (ii) any instrument evidencing an ownership interest in such loans.

“2024 Series C Mortgage Loans” means all Mortgage Loans or portions of Mortgage Loans financed or acquired from the proceeds of or allocable to the 2024 Series C Bonds.

“Agent Member” means a member of, or participant in, the Securities Depository.

“Alternate Credit Facility” means a replacement irrevocable direct-pay letter of credit issued by a commercial bank or other financial institution and delivered to or made available to the Trustee in accordance with Section 804 hereof for the purpose of paying the principal of and interest on the 2024 Series C Bonds when due; which replaces the Credit Facility then in effect, *provided, however*, that any amendment, extension or renewal of the Credit Facility then in effect for the purpose of extending the expiration date of such Credit Facility or modifying such Credit Facility pursuant to its terms shall not be deemed to be an Alternate Credit Facility for purposes of this Resolution.

“Alternate Liquidity Facility” means a letter of credit or other form of liquidity facility for any 2024 Series C Bonds which bear interest at a Variable Rate or Flexible Rate, providing for payment of the purchase price of such Bonds and delivered to the Trustee in accordance with Section 802 hereof; provided, however, that any amendment, extension or renewal of the Liquidity Facility then in effect for the purpose of extending the Expiration Date of such Liquidity Facility or modifying such Liquidity Facility pursuant to its terms shall not be deemed to be an Alternate Liquidity Facility for purposes of this Resolution.

“Applicable Spread” shall be the amount that, when added to or subtracted from the Index Rate Index, will result in the minimum Index Rate that, in the judgment of the Remarketing Agent, under then-existing market conditions, will result in the remarketing of such Index Rate Bonds on their Conversion Date or Purchase Date at a price equal to 100% of the principal amount thereof.

“Authorized Denominations” means those authorized denominations set forth in Section 204 hereof.

“Bank Bonds” means 2024 Series C Bonds purchased with amounts made available under a Liquidity Facility in accordance with Section 401(e) hereof, but excluding 2024 Series C Bonds no longer considered to be Bank Bonds in accordance with the terms of the Liquidity Facility or Reimbursement Agreement, as applicable.

“Bank Rate” means the rate of interest on all Bank Bonds at any time as determined and calculated in accordance with the provisions of the related Liquidity Facility or Reimbursement Agreement, as applicable.

“Bondholder,” “Bondholders,” “Holder” or “Holders” means the Bondowner or the Owner of Bonds (collectively or individually) with respect to any 2024 Series C Bonds, as defined in the General Resolution.

“Business Day” means any day except Saturday, Sunday or any day (i) on which banks located in the City of Detroit, Michigan, in the city in which the corporate trust office of the Trustee to which 2024 Series C Bonds must be surrendered for payment at maturity or redemption is located, the city in which the principal office of the Remarketing Agent, if any, is located, and the city in which the office of any Liquidity Facility Provider at which payments under the Liquidity Facility are to be made is located, are required or authorized to close, or the office at which drawings under the Credit Facility must be presented are located are authorized by law or executive order to close or (ii) on which the New York Stock Exchange is closed.

“Cede & Co.” means Cede & Co., the nominee of DTC, or any successor nominee of DTC with respect to the 2024 Series C Bonds.

“Closing Date” means the date on which the 2024 Series C Bonds are issued and delivered to the Underwriter, or designee(s), in exchange for payment by the Underwriter therefor.

“Code” means the Internal Revenue Code of 1986, as amended from time to time. Each reference to a section of the Code herein shall be deemed to include the United States Treasury Regulations proposed or in effect thereunder and applicable to the 2024 Series C Bonds or the use of proceeds thereof, and also includes all amendments and successor provisions unless the context clearly requires otherwise.

“Conversion Date” means: (a) when used with respect to the 2024 Series C Bonds being Converted to bear interest at a Fixed Rate, the Fixed Rate Conversion Date; (b) when used with respect to any Variable Rate Period, the date on which a particular type of Variable Rate becomes effective for all or any portion of the 2024 Series C Bonds pursuant to Section 302 hereof and

which is not immediately preceded by a day on which 2024 Series C Bonds bore interest at the same type of Variable Rate, except an automatic Conversion pursuant to Sections 301, 302(a)(ii), 302(d)(v), 302(e)(vii), 304(a)(iv)(A) and 407(b) hereof; (c) the date on which a Flexible Rate Period becomes effective for all or any portion of the 2024 Series C Bonds pursuant to Section 303 hereof following a Rate Period other than a Flexible Rate Period; and (d) the date any new Index Rate Period and Index Rate or Term Rate Period and Term Rate, as applicable, become effective for all or any portion of the 2024 Series C Bonds, or the date any Conversion to an Index Rate or Term Rate becomes effective (or, with respect to notices, time periods and requirements in connection with the proceedings for such Conversion, the date on which it is proposed that such Conversion occur).

“Convert,” “Converted” or “Conversion,” as appropriate, means the conversion of the Rate Period of the 2024 Series C Bonds from the then current Rate Period to another Rate Period as herein described.

“Credit Facility” means an irrevocable direct-pay letter of credit issued by a commercial bank or other financial institution and delivered to or made available to the Trustee in accordance with Section 803 hereof for the purpose of paying the principal of and interest on the 2024 Series C Bonds when due. If there is a Credit Facility, the same instrument must be a Credit Facility and a Liquidity Facility hereunder. If no Credit Facility is then in effect, references herein to the Credit Facility shall be disregarded.

“Credit Facility Fund” means the fund by that name established pursuant to Section 609(c).

“Credit Provider” means the bank or banks, insurance company or other financial institution or financial institutions or other entity that is then a party to the Credit Facility.

“Daily Rate Period” means the period of time during which the 2024 Series C Bonds bear interest at a Daily Rate.

“Daily Rate” means the rate of interest to be borne by the 2024 Series C Bonds as described in Section 302(b) hereof.

“Down Payment Assistance Fund” means the Fund established pursuant to Article III of the 2003 Series D Resolution.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“Electronic Means” means notice transmitted through a timesharing terminal or facsimile machine, if operative as between any two parties, or if not operative, by either telephone (promptly confirmed in writing) or e-mail.

“Expiration Date” means (i) the date upon which a Credit Facility or a Liquidity Facility is scheduled to expire (taking into account any extensions of such Expiration Date) in accordance with its terms, (ii) the date upon which a Credit Facility or a Liquidity Facility terminates following

voluntary termination by the Authority, or (iii) the date upon which a Credit Facility or a Liquidity Facility otherwise terminates in accordance of its terms.

“Failed Tender Date” means, for any 2024 Series C Bonds bearing interest at a Variable Rate, the date on which insufficient funds are available for the purchase of all such 2024 Series C Bonds tendered or deemed tendered and required to be purchased at the end of the Variable Rate Period as described in Section 407(b) hereof.

“Fixed Rate” means the rate, which may include a floating interest rate which is a function of Term SOFR or a SIFMA index selected by the Authority, at which 2024 Series C Bonds shall bear interest from and including the applicable Fixed Rate Conversion Date to the maturity date thereof pursuant to Section 304 hereof.

“Fixed Rate Bonds” means the 2024 Series C Bonds during the time such 2024 Series C Bonds bear interest at a Fixed Rate.

“Fixed Rate Conversion Date” means each day on which all or any portion of the 2024 Series C Bonds are Converted to bear interest at a Fixed Rate pursuant to Section 304 hereof, which Fixed Rate Conversion Date shall be (a) in the event of Conversion from a Variable Rate Period, the Interest Payment Date on which interest is payable for the Variable Rate Period from which the Conversion is made, or (b) in the event of Conversion from a Flexible Rate Period, the Interest Payment Date on which interest is payable on all 2024 Series C Bonds being Converted to the Fixed Rate.

“Fixed Rate Period” means each period during which 2024 Series C Bonds bear interest at the Fixed Rate.

“Flexible Rate” means, when used with respect to any particular 2024 Series C Bond, the interest rate determined for each Flexible Rate Period (except the last day thereof) applicable thereto pursuant to Section 303 hereof.

“Flexible Rate Bonds” means the 2024 Series C Bonds during the time such 2024 Series C Bonds bear interest at a Flexible Rate.

“Flexible Rate Conversion Date” means each day on which all or any portion of the 2024 Series C Bonds bear interest at Flexible Rates which is immediately preceded by a day on which such 2024 Series C Bonds did not bear interest at Flexible Rates and which Flexible Rate Conversion Date shall be an Interest Payment Date on which interest is payable for the Variable Rate Period from which the Conversion is to be made.

“Flexible Rate Period” means each period during which a 2024 Series C Bond bears interest at a Flexible Rate.

“Index Agent” means the Trustee or such other Person as may be designated by the Authority to act as the Index Agent for the Trustee.

“Index Rate Bonds” means 2024 Series C Bonds bearing interest at the Index Rate.

“Index Rate” means the interest rate established from time to time pursuant to Section 302(e), provided, however, that in no event may the Index Rate exceed the Maximum Rate.

“Index Rate Continuation Notice” has the meaning given to that term in Section 302(e)(iv).

“Index Rate Conversion Date” means: (i) the Conversion Date on which the interest rate on any 2024 Series C Bonds shall be Converted to an Index Rate; or (ii) the date on which a new Index Rate Period is to be established.

“Index Rate Determination Date” means: (i) with respect to any 2024 Series C Bonds in an Index Rate Period where the Index Rate Index is the SIFMA Index, each Wednesday or, if any such Wednesday is not a Business Day, then the next preceding Business Day, such date being the same day the SIFMA Index is expected to be published or otherwise made available to the Index Agent; and if the SIFMA Index is published on a different day, such day will be the Index Rate Determination Date. The Index Rate so calculated will apply to the calendar week from and including the immediately succeeding Thursday to and including the following Wednesday; or

(ii) with respect to any 2024 Series C Bonds in an Index Rate Period where the Index Rate is a function of Term SOFR, the Term SOFR Index Rate Determination Date; provided that, if the Authority specifies alternative dates as “Index Rate Determination Dates” for any 2024 Series C Bonds in the Pricing Notice delivered in connection with the Conversion of such 2024 Series C Bonds, “Index Rate Determination Date” shall mean the dates specified in such Pricing Notice.

“Index Rate Index” means, with respect to any 2024 Series C Bond, the SIFMA Index, a function of Term SOFR, or such other index as is determined by the Authority in consultation with the Remarketing Agent at the commencement of an Index Rate Period in accordance with Section 302(e).

“Index Rate Period” means any period during which 2024 Series C Bonds bear interest at the Index Rate.

“Initial Liquidity Provider” means the Federal Home Loan Bank of Indianapolis, and its successors and assigns.

“Initial Liquidity Facility” means the Standby Bond Purchase Agreement, dated as of _____, 2024 (or such other date approved by an Authorized Representative) by and among the Authority, U.S. Bank Trust Company, National Association, as trustee and custodian, and the Initial Liquidity Provider, as amended, restated, supplemented or otherwise modified pursuant to its terms and not in conflict with the terms of this 2024 Series C Resolution, to provide liquidity support for the 2024 Series C Bonds bearing interest in the Weekly Rate. The Initial Liquidity Facility shall constitute a Liquidity Facility under this 2024 Series C Resolution and all references to a “Liquidity Facility” hereunder shall include the Initial Liquidity Facility.

“Interest Coverage Requirement” means the following applicable interest coverages required to be in effect with respect to a Credit Facility or Liquidity Facility: (a) when the

2024 Series C Bonds bear interest or are to be Converted to bear interest at the Daily Rate, the Weekly Rate or the Flexible Rate (if the Flexible Rate Period is longer than 270 days in duration) – not less than 184 days’ of interest at 12% on a 365 day year or such other minimum period specified by the Rating Agencies as necessary to obtain (or maintain) a specified rating on the 2024 Series C Bonds, (b) if the 2024 Series C Bonds are to be Converted to a Term Rate (if the Term Rate is 180 days or more in duration – not less than 184 days’ of interest at 12% on a 360 day year consisting of twelve 30-day months or such other minimum period specified by the Rating Agencies as necessary to obtain (or maintain) a specified rating on the 2024 Series C Bonds, and (c) if the 2024 Series C Bonds are to be Converted to bear interest at the Flexible Rate (if the Flexible Rate Period is 270 days or less in duration) – not less than the actual number of days set to elapse in the Flexible Rate Period at 12% on a 365 day year or such other minimum period specified by the Rating Agencies as necessary to obtain (or maintain) a specified rating on the 2024 Series C Bonds.

“Interest Payment Date” means (a) when used with respect to 2024 Series C Bonds bearing interest at an Index Rate, (i) the first Business Day of each calendar month to which interest at such rate has accrued if the Index Rate Index is the SIFMA Index or based upon Term SOFR for one-month, (ii) each June 1 and December 1 or each March 1, June 1, September 1 and December 1, if the Index Rate Index is based upon Term SOFR for three-months as determined by the Authority in the Purchase Contract or a certificate delivered upon an Index Rate Conversion Date, or (iii) each June 1 and December 1, if the Index Rate Index is based upon Term SOFR for six-months; (b) when used with respect to 2024 Series C Bonds bearing interest at a Daily Rate, a Weekly Rate or a Term Rate, each June 1 and December 1 and each mandatory tender date; (c) when used with respect to 2024 Series C Bonds bearing interest at a Fixed Rate, each June 1 and December 1 which is at least 120 days following a Fixed Rate Conversion Date; (d) when used with respect to any particular 2024 Series C Bond bearing interest at a Flexible Rate, the last day of each Flexible Rate Period applicable thereto (and each June 1 and December 1 during a Flexible Rate Period which is longer than 270 days in duration); (e) when used with respect to Bank Bonds, the first Business Day of each month and any other date specified in the Liquidity Facility or Reimbursement Agreement, as applicable; (f) each Conversion Date; and (g) when used with respect to any 2024 Series C Bond, its stated maturity date or the date on which it is earlier paid.

“Interest Rate” means a Daily Rate, Weekly Rate, Flexible Rate, Term Rate, Index Rate, or Fixed Rate.

“Investment Company” means an investment company registered under the Investment Company Act of 1940, as amended.

“Letter(s) of Credit” means one or more unconditional irrevocable letters of credit issued by a domestic or foreign bank which qualifies as a Cash Equivalent under the General Resolution and which provides for a draw down in the full amount upon its expiration date at the option of the Authority in the absence of a renewal of such Letter(s) of Credit or if the Authority does not deliver to the Trustee a replacement Letter(s) of Credit.

“Liquidity Facility” means, with respect to the 2024 Series C Bonds, the Initial Liquidity Facility or an Alternate Liquidity Facility, if any. The same instrument may be a Liquidity Facility and a Credit Facility hereunder.

“Liquidity Facility Bonds” means any 2024 Series C Bond (other than 2024 Series C Bonds bearing interest at a Fixed Rate) which the Authority designates as such in the Purchase Contract or pursuant to a Notice of Liquidity Change delivered pursuant to and in accordance with Section 405 herein. As of the Closing Date, “Liquidity Facility Bonds” shall mean all 2024 Series C Bonds bearing interest at the Weekly Rate.

“Liquidity Facility Provider” means the Initial Liquidity Provider and, upon the effectiveness of an Alternate Liquidity Facility, shall mean the commercial bank or other financial institution issuing (or having primary obligation, or acting as agent for the financial institutions obligated, under) a Liquidity Facility then in effect.

“Loan Loss Fund” means the Loan Loss Fund established pursuant to the Loan Loss Fund Resolution.

“Loan Loss Fund Resolution” means the Authority’s Resolution Establishing Single-Family Loan Loss Fund adopted July 8, 1988, as supplemented on June 1, 1989 and April 30, 1997.

“Mandatory Credit/Liquidity Tender” means the mandatory tender of the 2024 Series C Bonds pursuant to Section 404(a) upon receipt by the Trustee of written notice from the Credit Provider or the Liquidity Facility Provider, as applicable, that (i) an event with respect to the Credit Facility or the Liquidity Facility has occurred which requires or gives such Credit Provider or Liquidity Facility Provider the option to terminate such Credit Facility or Liquidity Facility upon notice or (ii) the amount of an interest drawing under the Credit Facility will not be reinstated and directing the Trustee to call the Bonds for mandatory tender pursuant to Section 404(a). Mandatory Credit/Liquidity Tender shall not include circumstances, if any, where the Liquidity Facility Provider may suspend or terminate its obligations to purchase 2024 Series C Bonds without notice, in which case there will be no mandatory tender.

“Maximum Rate” means (a) with respect to 2024 Series C Bonds other than Bank Bonds, 12% per annum, and (b) with respect to Bank Bonds, the rate set forth in a Liquidity Facility or Reimbursement Agreement, not to exceed 25% per annum; provided, however, that in no event shall such rate in any case exceed the maximum rate permitted by applicable law.

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

“Non-Liquidity Remarketed Bonds” means, except as otherwise set forth in the Purchase Contract, any Variable Rate Bonds which the Authority designates as such pursuant to this Resolution or a notice delivered pursuant to and in accordance with Section 405 hereof.

“Non-Liquidity Remarketed Bonds Change Date” means the effective date on which any Liquidity Facility Bonds become Non-Liquidity Remarketed Bonds or any Non-Liquidity Remarketed Bonds become Liquidity Facility Bonds, as set forth in Section 405 hereof.

“One-Month Treasury Rate” means the interest rate applicable to one-month United States Treasury bills determined by the Remarketing Agent on the basis of the average per annum discount rate at which such one-month Treasury bills shall have been sold at the most recent Treasury auction.

“Pricing Notice” shall mean, with respect to Term Rate Bonds or Index Rate Bonds, respectively, the written notice of an Authorized Representative delivered to the Trustee and the Remarketing Agent (i) at least two Business Days prior to the applicable Term Rate Conversion Date or the effective date of the new Term Rate Period in connection with a Conversion to or a continuation of a Term Rate Period, as the case may be, and (ii) at least five Business Days prior to the applicable Index Rate Conversion Date or effective date of the new Index Rate Period in connection with a Conversion to or a continuation of an Index Rate Period as the case may be.

“Principal Payment Date” means any date on which principal on the 2024 Series C Bonds is due and payable, whether at maturity, upon acceleration or upon redemption.

“Purchase Contract” means, the contract of purchase between the Authority and the Underwriter with respect to the 2024 Series C Bonds.

“Purchase Date” means any date on which any 2024 Series C Bond is purchased pursuant to Article IV.

“Purchase Fund” means the fund established by Section 608.

“Rate Determination Date” means the date on which the interest rate for the Rate Period following each such Rate Determination Date is determined, as described in this Resolution.

“Rate Period” means a Daily Rate Period, a Weekly Rate Period, a Flexible Rate Period, an Index Rate Period, a Term Rate Period or a Fixed Rate Period.

“Record Date” means (a) with respect to any Interest Payment Date in respect of a 2024 Series C Bond during (i) a Daily Rate Period, such Interest Payment Date, or (ii) a Weekly Rate Period, a Flexible Rate Period or an Index Rate Period, the Business Day preceding such Interest Payment Date; and (b) with respect to a 2024 Series C Bond bearing interest at a Fixed Rate or Term Rate, the tenth day preceding such Interest Payment Date; provided, however, if such Record Date is not a Business Day, then such Record Date shall be deemed to be the first Business Day following such Record Date.

“Reimbursement Agreement” means any reimbursement agreement, credit agreement, line of credit agreement, standby purchase agreement or other agreement relating to a Credit Facility and/or Liquidity Facility, by and between a Credit Provider and the Authority.

“Remarketing Agent” means Barclays Capital Inc. or such other remarketing agent selected by an Authorized Representative, or any successor remarketing agent appointed in

accordance with Section 901 hereof and any permitted successor thereto. “Principal Office” of the Remarketing Agent means the office thereof designated in writing to the Authority and the Trustee.

“Remarketing Agreement” means the remarketing agreement to be entered into by the Authority and the Remarketing Agent on the Closing Date, as from time to time amended and supplemented with the consent of the Liquidity Facility Provider, if any. In the event that a successor remarketing agent is appointed pursuant to Section 901 hereof, “Remarketing Agreement” means the remarketing agreement between such successor remarketing agent and the Authority, as from time to time amended and supplemented.

“Representation Letter” means the blanket agreement of the Authority and the Trustee to comply with the operational arrangements of DTC and any similar agreement with respect to a successor Securities Depository.

“Rule” means Rule 15c2-12 promulgated by the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, § 240.15c2-12).

“Securities Depository” means DTC and its successors and assigns or if (i) the then-Securities Depository resigns from its functions as depository of the 2024 Series C Bonds or (ii) the Authority discontinues use of the then-Securities Depository pursuant to Section 703(c), any other securities depository which agrees to follow the procedures required to be followed by a securities depository in connection with the 2024 Series C Bonds and which is selected by the Authority.

“Serial Bonds” means the 2024 Series C Bonds, if any, which are authorized as Serial Bonds pursuant to Section 203 hereof.

“SIFMA” means the Securities Industry & Financial Markets Association (formerly the Bond Market Association) or any successor thereto.

“SIFMA Determination Agent” means a bank selected by an Authorized Representative and consented to by a majority of the Bondholders.

“SIFMA Index” means the SIFMA Municipal Swap Index, a rate determined on the basis of the seven-day high grade market index of tax-exempt variable rate demand obligations, as calculated by Bloomberg and published or made available by SIFMA or any Person acting in cooperation with or under the sponsorship of SIFMA and effective from such date. If such index is not published or otherwise made available, the Index Rate Index to which the Applicable Spread will be applied shall be the One-Month Treasury Rate.

“S&P” means S&P Global Ratings, and its successors and assigns.

“Special Record Date” means the date and time established by the Trustee for determinations of which Bondholders shall be entitled to receive overdue interest on the 2024 Series C Bonds pursuant to Section 203(b)(iii) hereof.

“Stepped Rate” shall mean the rate or rates of interest applicable with respect to any 2024 Series C Bonds should insufficient funds be available to purchase such 2024 Series C Bonds in connection with a mandatory tender at the end of a Variable Rate Period during which such 2024 Series C Bonds are not supported by a Liquidity Facility, as specified by the Authority in the Pricing Notice delivered in connection with the Conversion of such 2024 Series C Bonds to a Variable Rate Period or with the continuation of a Variable Rate Period with respect to such 2024 Series C Bonds. If no Stepped Rate was specified in the Pricing Notice relating to the expiring Variable Rate Period for such 2024 Series C Bonds, the Stepped Rate shall be: (a) for the period from and including the Failed Tender Date to but excluding the ninetieth (90th) day thereafter a per annum interest rate equal to the Stepped Rate Index plus 2.50%; (b) for the period from and including the ninetieth (90th) day after the Failed Tender Date to but excluding the one hundred eightieth (180th) day after the Failed Tender Date, a per annum interest rate equal to the greater of (i) the Stepped Rate Index plus 5.00% or (ii) 7.50%; and (c) thereafter, the Maximum Rate; provided that the Stepped Rate shall never be less than the rate of interest applicable to such 2024 Series C Bonds on the Business Day prior to the Failed Tender Date. Notwithstanding anything to the contrary, the Stepped Rate shall never exceed the Maximum Rate.

“Stepped Rate Determination Date” means the applicable Failed Tender Date and each Wednesday thereafter or, if any such Wednesday is not a Business Day, then the next preceding Business Day, such date being the same day the SIFMA Index is expected to be published or otherwise made available to the Index Agent, and if the SIFMA Index is published on a different day, such day will be the Stepped Rate Determination Date. The Stepped Rate Index so calculated will apply to the calendar week from and including the immediately succeeding Thursday to and including the following Wednesday, unless the Failed Tender Date is a Wednesday in which event such rate will be based on the SIFMA Index determined on the prior Wednesday and will only apply on the Failed Tender Date; provided that different Stepped Rate Determination Dates may be specified in the Pricing Notice relating to the establishment of a new Term Rate Period or Index Rate Period for any 2024 Series C Bonds. The Stepped Rate or Rates calculated on any Stepped Rate Determination Date shall apply to 2024 Series C Bonds as set forth in Section 307 herein.

“Stepped Rate Index” shall mean an index specified by the Authority in the Pricing Notice delivered in connection with the Conversion of 2024 Series C Bonds to a Variable Rate Period or with the continuation of a Variable Rate Period with respect to such 2024 Series C Bonds as provided herein. If no Stepped Rate Index is specified in the Pricing Notice relating to the expiring Variable Rate Period for such 2024 Series C Bonds, the Stepped Rate Index shall be the SIFMA Index.

“Super Sinker Bonds” means the 2024 Series C Bonds, if any, which are designated as Super Sinker Bonds in the Purchase Contract pursuant to Section 503(c) of this 2024 Series C Resolution.

“Surety Bond(s)” or “Surety” means one or more unconditional and irrevocable surety bonds issued by a domestic or foreign insurance company which (i) qualifies as a Cash Equivalent under the General Resolution, (ii) guarantees certain payments into the Capital Reserve Fund with respect to the Bonds as provided therein and subject to the limitations set forth therein, and (iii) is not subject to cancellation.

“Term Bonds” means the 2024 Series C Bonds, if any, which are authorized as Term Bonds pursuant to Section 203 hereof and which shall be subject to Sinking Fund Requirements as set forth in the Purchase Contract.

“Term Rate” means the rate of interest on a 2024 Series C Bond established in accordance with Section 302(d).

“Term Rate Bonds” means the 2024 Series C Bonds during the time such 2024 Series C Bonds bear interest at a Term Rate.

“Term Rate Computation Date” means any Business Day during the period from and including the date of receipt of a notice from the Authority relating to a Conversion to a Term Rate for any 2024 Series C Bonds to and including the Business Day next preceding the proposed Term Rate Conversion Date.

“Term Rate Conversion Date” means: (i) the Conversion Date on which the interest rate on any 2024 Series C Bonds shall be Converted to a Term Rate; or (ii) the date on which a new Term Rate Period and Term Rate are to be established.

“Term Rate Continuation Notice” shall have the meaning given such term in Section 302(d)(ii).

“Term Rate Period” means any period during which any 2024 Series C Bonds bear interest at the Term Rate.

“Term SOFR” is a rate of interest equal to the rate per annum equal to the Term SOFR Screen Rate as determined for each Term SOFR Index Rate Determination Date two (2) U.S. Government Securities Business Days prior to the Term SOFR Index Rate Determination Date (for delivery on the first day of such interest period) with a term of one month or three months, as designated by the Authority; provided that if such rate is not published on such determination date then the rate will be the Term SOFR Screen Rate on the first U.S. Government Securities Business Day immediately prior thereto. If at any time Term SOFR is less than zero, such rate shall be deemed to be zero for the purposes of this Resolution. For purposes of this definition of “Term SOFR”:

- (i) “CME” means CME Group Benchmark Administration Limited.
- (ii) “SOFR” means the Secured Overnight Financing Rate as administered by the Federal Reserve Bank of New York (or a successor administrator).
- (iii) “Term SOFR Screen Rate” means the forward-looking SOFR term rate administered by CME (or any successor administrator satisfactory to the Authority) and published on the applicable Reuters screen page (or such other commercially available source providing such quotations as may be designated by the Authority from time to time)

(iv) “U.S. Government Securities Business Day” means any Business Day, except any Business Day on which any of the Securities Industry and Financial Markets Association, the New York Stock Exchange or the Federal Reserve Bank of New York is not open for business because such day is a legal holiday under the federal laws of the United States or the laws of the State of New York, as applicable.

In the event that CME or a successor indexing agent discontinues its administration and publication of the Term SOFR and, as a result, the Term SOFR Screen Rate ceases to be published on the applicable Reuters screen page, Term SOFR Discontinuation Agent shall provide written notice (the “Discontinuation Notice”) to the Authority and the Trustee designating (i) the last date on which the interest rate on the 2024 Series C Bonds shall be calculated on the basis of Term SOFR (the “Term SOFR Rate Discontinuation Date”) and (ii) an alternative source and methodology for the determination of the variable rate on the 2024 Series C Bonds, which alternative source and methodology shall be determined in good faith by the Term SOFR Discontinuation Agent. Such notice shall be given as soon as reasonably practicable. The alternative source and methodology designated by the Term SOFR Discontinuation Agent shall become effective hereunder for the determination of the variable rate on the 2024 Series C Bonds on the first day following the Term SOFR Rate Discontinuation Date.

“Term SOFR Discontinuation Agent” means the Remarketing Agent or such other agent selected by an Authorized Representative.

“Term SOFR Index Rate Determination Date” means a date that is (a) two Business Days preceding the date of a Conversion to the Index Rate Period, (b) two Business Days preceding each Purchase Date during the Index Rate Period, (c) each Three-month Term SOFR Index Rate Determination Date, (d) two Business Days preceding each Interest Payment Date during the Index Rate Period other than when the Index Rate is based upon Term SOFR for three-months or (e) such other date as is determined by the Authority in consultation with the Remarketing Agent in accordance with Section 302(e).

“Three-month Term SOFR Rate Determination Date” means two Business Days prior to each January 1, April 1, July 1, and October 1.

“Treasury Rate” means the interest rate applicable to one-month United States Treasury bills determined by the Remarketing Agent on the basis of the average per annum discount rate at which such one-month Treasury bills shall have been sold at the most recent Treasury auction.

“Underwriter” means Barclays Capital Inc.

“U.S. Government Securities Business Day” means any day except for a Saturday, Sunday or a day on which Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

“Variable Rate” means, as the context requires, the interest rate during the Daily Rate, Weekly Rate, Term Rate or Index Rate applicable to 2024 Series C Bonds.

“Variable Rate Bonds” means the 2024 Series C Bonds during the time such 2024 Series C Bonds bear interest at a Variable Rate.

“Variable Rate Conversion Date” means each day on which all or any portion of 2024 Series C Bonds bear interest at a Variable Rate pursuant to Section 302(b), 302(c), 302(d) or 302(e) hereof which is immediately preceded by a day on which such 2024 Series C Bonds did not bear interest at the same Variable Rate.

“Variable Rate Period” means each period during which 2024 Series C Bonds bear interest at a specific Variable Rate.

“Weekly Rate” means the interest rate to be determined for 2024 Series C Bonds on a weekly basis pursuant to Sections 203 and 302(c) hereof.

“Weekly Rate Conversion Date” means each day on which all or any portion of the 2024 Series C Bonds bear interest at a Weekly Rate pursuant to Section 302(d) or (e) hereof which is immediately preceded by a day on which such 2024 Series C Bonds did not bear interest at a Weekly Rate. The effective date of an automatic Conversion to the Weekly Rate pursuant to Section 302(a)(ii) hereof shall be deemed to be a Weekly Rate Conversion Date.

“Weekly Rate Period” means each period during which 2024 Series C Bonds bear interest at a Weekly Rate.

ARTICLE II AUTHORIZATION OF 2024 SERIES C BONDS

201. Principal Amount, Designation and Series. A Series of Bonds is hereby authorized to be issued and sold, pursuant to the provisions of the General Resolution in an aggregate original principal amount of not to exceed \$50,000,000, as established pursuant to Section 203 hereof. Such Series of Bonds shall be designated as “Single-Family Mortgage Revenue Bonds, 2024 Series C (Federally Taxable).”

202. Purposes. The purposes for which the 2024 Series C Bonds are being issued are (i) the financing and purchasing of Mortgage Loans, including payment of certain Mortgage Loan origination costs; (ii) if required to satisfy the Capital Reserve Fund Requirement, the making of a deposit to the Capital Reserve Fund in respect of the 2024 Series C Bonds, except to the extent the Authority obtains and pledges to the Capital Reserve Fund Letter(s) of Credit and/or Surety Bond(s) which may be drawn upon or called upon for payment, as applicable, for the purposes of the Capital Reserve Fund; (iii) the making of a deposit to the Down Payment Assistance Fund in respect of the 2024 Series C Bonds, to the extent provided for in the Purchase Contract; and (iv) paying all or a portion of the costs of issuance of the 2024 Series C Bonds (including costs of the Initial Liquidity Facility), to the extent provided for in the Purchase Contract.

203. Interest Rates, Principal Amounts and Maturity Dates. (a) The 2024 Series C Bonds shall be dated and shall be issued on or before April 30, 2024, as approved by an Authorized

Representative. The 2024 Series C Bonds shall be issued as interest bearing Bonds and not as capital appreciation bonds. All of the 2024 Series C Bonds shall be initially issued as Term Bonds which shall mature on any June 1 or December 1 in the years and principal amounts and shall bear interest as approved by an Authorized Representative, which approval shall be evidenced by execution of the Purchase Contract by any Authorized Representative. The 2024 Series C Bonds may remain as Term Bonds or become Serial Bonds or any combination of Serial Bonds and Term Bonds in connection with a Conversion of 2024 Series C Bonds to Fixed Rate Bonds which shall mature on any June 1 or December 1 in the years and principal amounts as approved by an Authorized Representative. The 2024 Series C Bonds shall bear interest at the Weekly Rate as set forth in the Purchase Contract determined as provided in Section 301 hereof. Interest shall be payable on the applicable Interest Payment Date. Interest shall be payable on the applicable Interest Payment Date for the respective 2024 Series C Bonds.

(b) Subject to the further provisions of Article III hereof, each 2024 Series C Bond shall bear interest and be payable as to interest as follows:

(i) Each 2024 Series C Bond shall bear interest (at the applicable rate determined pursuant to Article III hereof) computed from (A) the date of authentication, if authenticated on an Interest Payment Date to which interest has been paid, or (B) the last preceding Interest Payment Date to which interest has been paid (or the Closing Date if no interest thereon has been paid) in all other cases, and in either case (C) to and including the day (whether or not a Business Day) immediately preceding each Interest Payment Date on which interest is being paid.

(ii) Subject to the provisions of subparagraph (iii) below, and except as may be provided pursuant to the Purchase Contract, the interest due on any 2024 Series C Bond on any Interest Payment Date shall be paid to the Holder of such 2024 Series C Bond as shown on the registration books kept by the Trustee as of the regular Record Date. The amount of interest payable on any Interest Payment Date shall be computed (A) on the basis of a 365- or 366-day year for the number of days actually elapsed with respect to a Flexible Rate Period, Daily Rate Period, Weekly Rate Period or an Index Rate Period during which the Index Rate Index is the SIFMA Index, (B) on the basis of a 360-day year consisting of twelve 30-day months with respect to a Term Rate Period or Fixed Rate Period, and (C) on the basis of a 360-day year for the actual days elapsed with respect to an Index Rate Period during which the Index Rate is a function of Term SOFR.

(iii) If the funds available under the General Resolution are insufficient on any Interest Payment Date to pay the interest then due, the regular Record Date shall no longer be applicable with respect to the 2024 Series C Bonds. If sufficient funds for the payment of such overdue interest thereafter become available, the Trustee shall promptly establish a special interest payment date for the payment of the overdue interest and a Special Record Date (which shall be a Business Day) for determining the Holders entitled to such payments. Notice of such date so established shall be given by first-class mail by the Trustee to each Holder at least ten (10) days prior to the Special Record Date, but not more than thirty (30) days prior to the special interest payment date. The overdue interest shall be paid on the special interest payment date (which date shall be deemed to be an Interest Payment Date) to the Holder, as shown on the registration books kept by the Trustee as of the close of business on the Special Record Date.

(iv) All payments of interest on the 2024 Series C Bonds shall be paid to the persons entitled thereto pursuant to Section 203(b)(ii) or Section 203(b)(iii) hereof on the Interest Payment Date in immediately available funds.

(c) (i) Any Holder may elect to have the principal or Redemption Price of and interest on its 2024 Series C Bonds bearing interest at the rate effective during the Daily Rate Period, Weekly Rate Period, Term Rate Period, Index Rate Period or Fixed Rate Period paid by wire transfer to a bank within the continental United States or deposited to a designated account that is maintained with the Trustee; provided, however, that such Holder shall have provided wire transfer instructions to the Trustee prior to the Interest Payment Date; provided further, that each such 2024 Series C Bond must be presented to the Trustee in order for the Holder to receive payment of principal or Redemption Price.

(ii) Interest accrued during any Flexible Rate Period shall be paid in immediately available funds, but only upon presentation and surrender of 2024 Series C Bonds to the Trustee, by wire transfer to a bank within the continental United States or direct deposit to a designated account that is maintained with the Trustee pursuant to directions given by the Holder to the Trustee on or prior to the Interest Payment Date.

(d) The purchase price of the 2024 Series C Bonds shall be as approved by an Authorized Representative, subject to the limitations of this 2024 Series C Resolution, and shall be set forth in the Purchase Contract, and the approval of such purchase price and compensation shall be evidenced by the execution of the Purchase Contract by the Authority.

(e) In making the determination with respect to interest rates, designations as Serial Bonds or Term Bonds, and the maturities of the 2024 Series C Bonds, and with respect to the compensation to be paid to the Underwriter (if any), the purchase price of the 2024 Series C Bonds and certain other matters, the Authorized Representative making such determinations shall be limited as follows:

(i) The rate of interest on any 2024 Series C Bond shall not at any time exceed the Maximum Rate;

(ii) The compensation to be paid to the Underwriter (if any) in connection with the purchase of the 2024 Series C Bonds shall not be more than 1.00% of the original aggregate principal amount of the 2024 Series C Bonds;

(iii) The schedule of maturities and the amount of each maturity for the 2024 Series C Bonds, taking into account the Sinking Fund Requirements, if any, established pursuant to Section 205 hereof, shall be established in a manner that will permit the Authorized Representative to file the Cash Flow Statement required by Section 608 of the General Resolution;

(iv) The final maturity of the 2024 Series C Bonds shall not be later than June 1, 2057;

(vi) The maximum amount of scheduled principal payments (adjusted for any previously scheduled Sinking Fund Requirements) and Sinking Fund Requirements due with respect to the 2024 Series C Bonds on any June 1 or December 1, shall not exceed Twenty Million Dollars (\$20,000,000);

(vii) The proceeds of the 2024 Series C Bonds credited to the Down Payment Assistance Fund shall not exceed fifteen percent (15%) of the original principal amount of the 2024 Series C Bonds; and

(viii) The Authority shall not sell the 2024 Series C Bonds to the Underwriter at a price of less than 100% of the principal amount thereof, exclusive of any Underwriter's discount or compensation.

(f) Subject to the limitations set forth in subsection (e) above, scheduled principal payments and Redemption Requirements may be revised upon Conversion of all or any portion of the 2024 Series C Bonds to Flexible Rates or a Fixed Rate pursuant to Sections 303 or 304 hereof.

204. Denominations, Numbers and Letters. (a) The 2024 Series C Bonds shall be issued as fully-registered bonds in the Authorized Denominations set forth in subsection (b) below. The 2024 Series C Bonds, including any subseries thereof, shall be lettered and numbered as determined by an Authorized Officer. In connection with any Conversion Date, the Authority may determine that the 2024 Series C Bonds for which such date is a Conversion Date should bear a new designation after such Conversion Date and, if it should so determine, the Authority shall advise the Trustee of the new designation. References in this 2024 Series C Resolution, unless the context requires otherwise, include 2024 Series C Bonds as redesignated pursuant to this Section 204.

(b) The 2024 Series C Bonds shall be issuable in fully-registered form, in denominations of (i) during a Variable Rate Period, \$100,000 and any integral multiple of \$5,000 in excess of \$100,000, (ii) during a Flexible Rate Period, \$100,000 and any integral multiple of \$1,000 in excess of \$100,000, and (iii) during a Term Rate Period or on and after the Fixed Rate Conversion Date, \$5,000 or integral multiples thereof (each "Authorized Denominations"); provided, however, that if as a result of a Conversion of 2024 Series C Bonds from a Term Rate Period to a Daily Rate Period, Weekly Rate Period, Flexible Rate Period or Index Rate Period, it is not possible to deliver all the 2024 Series C Bonds required or permitted to be Outstanding in a denomination permitted above, 2024 Series C Bonds may be delivered, to the extent necessary, in different denominations. If the interest rate on the 2024 Series C Bonds is automatically Converted to a Weekly Rate, as provided in 302(a)(ii) hereof, 2024 Series C Bonds then Outstanding which were in Authorized Denominations immediately prior to such automatic Conversion shall be deemed to be temporarily in Authorized Denominations following such automatic Conversion.

(c) Each 2024 Series C Bond shall be dated as of the date of authentication, if authenticated on an Interest Payment Date to which interest has been paid, and in all other cases the last preceding Interest Payment Date to which interest has been paid (or the Closing Date if no interest thereon has been paid).

205. Conditional Notice of Optional Redemption and No Requirement to Have Funds on Hand. As provided for by Section 302 of the General Resolution, as may be supplemented as provided therein, and notwithstanding any provision in the General Resolution to the contrary, (i) the Authority shall not be required to have in the Redemption Fund, or otherwise available and set aside in the General Receipts Fund, an amount sufficient to effect the redemption of any 2024 Series C Bonds prior to the notice of optional redemption being sent by the Trustee, and (ii) any such notice of optional redemption of any 2024 Series C Bonds may, at the direction of an Authorized Representative, state that it is conditional in nature and may be rescinded at any time on or before the business day prior to the redemption date, together with the terms under which notice of any such rescission is to be provided to the Bondholders. If such notice is rescinded any such 2024 Series C Bonds that were subject to the notice of redemption shall remain Outstanding Bonds.

206. Sale of 2024 Series C Bonds. An Authorized Representative is authorized to negotiate, execute and deliver, on behalf of the Authority, the Purchase Contract, in substantially the form presented to this meeting, with such changes as an Authorized Representative deems necessary and desirable and not materially adverse to the Authority, for purchase of the 2024 Series C Bonds at the price(s) and with compensation to the Underwriter, all as set forth therein. Approval of the Purchase Contract, and the purchase price set forth therein, shall be evidenced by the execution of the Purchase Contract by an Authorized Representative of the Authority.

207. Expenses. The Authority's Expenses with respect to the 2024 Series C Bonds for a Fiscal Year may not exceed an amount equal to 0.25% of the greater of the aggregate principal amount of all Outstanding 2024 Series C Bonds or the aggregate principal amount of the outstanding 2024 Series C Mortgage Loans, all as of the first day of such Fiscal Year.

The fees to be paid in respect of the Initial Liquidity Facility shall be paid pursuant to the provisions of the Liquidity Facility.

ARTICLE III INTEREST RATES ON 2024 SERIES C BONDS

301. Interest Rate; Subsequent Rates. The 2024 Series C Bonds shall initially bear interest at the Weekly Rate. The initial Weekly Rate to be effective on the Closing Date shall be determined as provided in the Purchase Contract. The interest rate borne by the 2024 Series C Bonds may be Converted from time to time to another type of Interest Rate as hereinafter provided. In the event of a failure to effect a proposed Conversion to another type of Interest Rate pursuant to Sections 302, 303 or 305 hereof, the Interest Rate on the 2024 Series C Bonds to have been Converted shall be automatically Converted to a Weekly Rate and shall bear interest at the Weekly Rate set in accordance with Section 302(c) hereof from the date on which such Conversion was to have occurred, which date shall be deemed to be the first day of the Weekly Rate Period, if the Conversion was to have been made from a Variable Rate Period or a Flexible Rate Period.

302. Variable Rates; Conversion to Variable Rate Periods.

(a) Determination by Remarketing Agent. Subject to the further provisions of this Article III with respect to particular Variable Rates or Conversions to or between Variable Rate Periods, the Variable Rate to be applicable to 2024 Series C Bonds during any Variable Rate Period shall be determined by the Remarketing Agent.

(i) In each case, subject to the provisions of Section 305 hereof, the Variable Rate for a Variable Rate Period in question shall be determined by the Remarketing Agent on the date or dates and at the time or times required pursuant to subsection (b) through (g) below, whichever is applicable.

(ii) Each Variable Rate shall be determined by the Remarketing Agent as the lowest rate of interest which, in the judgment of the Remarketing Agent, taking into account prevailing market conditions, would permit the applicable 2024 Series C Bonds to be sold at a purchase price equal to one hundred percent (100%) of the principal amount thereof plus any accrued interest thereon as of the effective date of such rate; provided, however, that if (i) the Remarketing Agent fails for any reason to determine the Variable Rate for any Variable Rate Period when required hereunder, (ii) there is no Remarketing Agent in place on the applicable Rate Determination Date, (iii) any Variable Rate fails to become effective, or (iv) a Variable Rate is held to be invalid or unenforceable by a final judgment of a court of competent jurisdiction, then the Interest Rate on such 2024 Series C Bonds shall be automatically Converted to (or continue to bear interest at) a Weekly Rate; provided, further, that (i) if the 2024 Series C Bonds are Converted to the Weekly Rate as provided above, the Weekly Rate through the Tuesday following such Conversion shall be the applicable last interest rate in effect, and (ii) if the 2024 Series C Bonds continue to bear interest at a Weekly Rate as provided above, or if a Weekly Rate is not determined by the Remarketing Agent for two or more consecutive Weekly Periods, the Weekly Rate shall be the Maximum Rate. In the event the 2024 Series C Bonds are Converted to a Weekly Rate as provided in the immediately preceding sentence, the Trustee shall as soon as practicable send notice by first class mail to the Holders stating that such automatic Conversion has occurred, the effective date thereof, and the manner in which the Weekly Rate for such Weekly Rate Period is being determined.

(iii) In no event shall the Variable Rate for any Variable Rate Period exceed the Maximum Rate.

(iv) All determinations of Variable Rates shall be conclusive and binding upon the Authority, the Trustee and the Holders of the 2024 Series C Bonds. The Authority, the Trustee and the Remarketing Agent shall not be liable to any Holders for failure to give any notice required in this Section 302 or for failure of any Holders to receive any such notice.

(b) Daily Rates. A Daily Rate shall be determined for each Daily Rate Period as follows:

(i) The Daily Rate shall be effective for one day. Subject to the provisions of Section 302(a)(ii) hereof, each such Daily Rate shall be determined by the Remarketing Agent by 10:00 a.m., New York City time, on each Business Day. If the 2024 Series C Bonds bearing

interest at a Daily Rate have not been subject to a Conversion, then the Daily Rate on a day that is not a Business Day shall be the Daily Rate determined on the preceding Business Day.

(ii) Subject to the provisions of Section 305 hereof, notice of each Daily Rate shall be given by the Remarketing Agent to the Authority and the Trustee by telephone or facsimile transmission (or electronic communication mutually acceptable to the parties) not later than the close of business on the same Business Day, and written notice of Daily Rates determined shall be given by the Remarketing Agent to the Authority and the Trustee on the Business Day prior to each Interest Payment Date on which interest at a Daily Rate or Daily Rates is required to be paid.

(iii) Subject to the provisions of Section 305 hereof, written notice of Daily Rates shall be given by the Trustee to the Liquidity Facility Provider, if any, and each Holder requesting such information within seven (7) Business Days after each Interest Payment Date on which interest at a Daily Rate or Daily Rates was paid.

(c) Weekly Rates. A Weekly Rate shall be determined for each Weekly Rate Period as follows:

(i) Weekly Rate Periods shall commence on Wednesday of each week and end on Tuesday of the following week, except that: (A) in the case of a Conversion to a Weekly Rate Period from a different Variable Rate Period or from Flexible Rate Periods, such Weekly Rate Period shall commence on the Conversion Date and end on Tuesday of the following week; (B) in the case of a Conversion from a Weekly Rate Period to a different Rate Period, the last Weekly Rate Period prior to Conversion shall end on the last day immediately preceding the Conversion Date to the new Rate Period; (C) if a Weekly Rate Period occurs by virtue of the automatic Conversion to a Weekly Rate as provided in Section 301 or 302(a)(ii) hereof, such Weekly Rate Period shall commence on the effective date of such automatic Conversion; and (D) in the event a Weekly Rate Period is the final Rate Period with respect to a 2024 Series C Bond, such Weekly Rate Period shall end on the stated maturity date of the 2024 Series C Bond or the date of earlier payment thereof.

(ii) The Weekly Rate for each Weekly Rate Period shall be effective from and including the commencement date of such period and shall remain in effect through and including the last day thereof. Subject to the provisions of Section 302(a)(ii) hereof, each such Weekly Rate shall be determined by the Remarketing Agent by 4:00 p.m. New York City time on the first Business Day preceding the commencement date of the Weekly Rate Period to which it relates).

(iii) Subject to the provisions of Section 305 hereof, notice of each Weekly Rate shall be given by the Remarketing Agent to the Authority and the Trustee by Electronic Means not later than the close of business on the first Business Day immediately preceding the commencement date of the Weekly Rate Period to which it relates, and written notice of Weekly Rates determined for each Weekly Rate Period shall be given by the Remarketing Agent to the Authority and the Trustee on the Business Day prior to each Interest Payment Date on which interest at a Weekly Rate or Weekly Rates is required to be paid.

(iv) Subject to the provisions of Section 305 hereof, written notice of Weekly Rates determined for each Weekly Rate Period shall be given by the Trustee to the Liquidity Facility Provider, if any, and each Holder requesting such information within seven (7) Business Days after each Interest Payment Date on which interest at a Weekly Rate or Weekly Rates was paid.

(d) Term Rates. A Term Rate shall be determined for each Term Rate Period as follows:

(i) A Term Rate Period shall commence on the Term Rate Conversion Date and end on a day that precedes a Business Day selected by the Authority that is a minimum of one hundred eighty (180) days after the Term Rate Conversion Date, but in no event later than the maturity date of the applicable 2024 Series C Bonds. Upon such selection, such Business Day will be an Interest Payment Date for such Term Rate Bonds. The duration of the Term Rate Period and the Stepped Rate to be applicable to the Term Rate Bonds should insufficient funds be available for their purchase at the end of such Term Rate Period, shall be as specified in the Pricing Notice given with respect to the Conversion of any 2024 Series C Bonds to such Term Rate Period pursuant to Section 302(d)(iii) or with respect to any new Term Rate and Term Rate Period for 2024 Series C Bonds then bearing interest at a Term Rate pursuant to Section 302(d)(ii). With respect to each Term Rate Period, subject to the provisions of Section 302(a)(ii) hereof, the Remarketing Agent shall set the Term Rate for the 2024 Series C Bonds by 5:00 p.m. New York City time, on the applicable Term Rate Computation Date. Upon a successful Conversion of any 2024 Series C Bonds to bear interest at the Term Rate from another Interest Rate pursuant to this Article III or the establishment of a new Term Rate Period and a new Term Rate for any Term Rate Bonds pursuant to Section 302(d)(ii), and until such Term Rate Bonds are successfully Converted to another Interest Rate, such 2024 Series C Bonds shall bear interest at a Term Rate.

(ii) Term Rate Continuation. The Authority may establish a new Term Rate Period and Term Rate for any Term Rate Bonds by delivery of a written notice consistent with the provisions of Section 302(d)(iii) (a “Term Rate Continuation Notice”) to the Trustee, the Remarketing Agent and the applicable Liquidity Facility Provider, if any, for such Term Rate Bonds no less than thirty-one (31) days prior to the effective date of the new Term Rate Period. The effective date of the new Term Rate Period must be a Business Day on which such Term Rate Bonds are subject to optional redemption pursuant to Section 502(a) or a Business Day on which such 2024 Series C Bonds are subject to mandatory tender pursuant to the applicable provisions of Section 403(a). No later than two (2) Business Days prior to the effective date of such new Term Rate Period, the Authority shall deliver to the Trustee a Pricing Notice consistent with the provisions of Section 302(d)(iii) below. Each Term Rate Bond shall be subject to mandatory tender on the first day of the new Term Rate Period. No new Term Rate shall become effective unless all such Term Rate Bonds are successfully remarketed in the new Term Rate Period at the new Term Rate on the first day of the new Term Rate Period.

(iii) Contents of Term Rate Continuation Notice; Pricing Notice. The Authority’s Term Rate Continuation Notice must specify: (i) the proposed Term Rate Period; (ii) whether the Liquidity Facility then in effect, if any, will remain in effect; (iii) if a new

Liquidity Facility will be in effect after the effective date of the new Term Rate Period and Term Rate; and (iv) the expected ratings, if any, on such 2024 Series C Bonds following the establishment of a new Term Rate Period and Term Rate.

The Pricing Notice delivered in connection with a Conversion to or continuation of a Term Rate must specify: (1) the duration of the Term Rate Period, (2) the optional redemption provisions applicable to such Term Rate Bonds during such Term Rate Period, if any, and (3) the Stepped Rate to be applicable to such Term Rate Bonds should insufficient funds be available to purchase such Term Rate Bonds at the end of such Term Rate Period.

(iv) Notice to Holders. Subject to Section 305 hereof, upon receipt of a Term Rate Continuation Notice from an Authorized Representative, as soon as possible, but in any event not less than thirty (30) days prior to the first day of the proposed Term Rate Period, the Trustee shall give notice by first-class mail to the Holders of the affected Series of 2024 Series C Bonds, which notice shall state:

(A) in substance that a new Term Rate Period and Term Rate are to be established for such 2024 Series C Bonds on the applicable Term Rate Conversion Date if the conditions specified in this 2024 Series C Resolution (and generally described in such notice) are satisfied on or before such date;

(B) the first day of the new Term Rate Period;

(C) Reserved;

(D) that a new Term Rate Period and Term Rate for such 2024 Series C Bonds shall not be established unless all such 2024 Series C Bonds are successfully remarketed in the new Term Rate Period and at the new Term Rate on the first day thereof;

(E) the CUSIP numbers or other identification information of such 2024 Series C Bonds;

(F) that all affected 2024 Series C Bonds are subject to mandatory tender for purchase on the first day of the new Term Rate Period (whether or not the proposed new Term Rate Period becomes effective on such date, unless the 2024 Series C Bonds are not supported by a Liquidity Facility, then the 2024 Series C Bonds will be purchased only upon a successful remarketing at the new Term Rate) at the purchase price; and

(G) that, to the extent that there shall be on deposit with the Trustee on the first day of the new Term Rate Period an amount of money sufficient to pay the purchase price thereof, all such 2024 Series C Bonds not delivered to the Trustee on or prior to such date shall be deemed to have been properly tendered for purchase and shall cease to constitute or represent a right on behalf of the Holder thereof to the payment of principal thereof or interest thereon and shall represent and constitute only the right to payment of the purchase price on deposit with the Trustee, without interest accruing thereon after such date.

(v) End of Term Rate. In the event the Authority fails to give a Term Rate Continuation Notice or a notice of Conversion, as applicable, with respect to Term Rate Bonds at the time required by this Section 302(d), or if the conditions to the effectiveness of a new Term Rate Period and new Term Rate set forth in Section 302(d)(ii) or the conditions to Conversion to another Rate Period are not satisfied, including as a result of the Remarketing Agent failing to establish a Term Rate as herein provided, then on the day following the last day of the current Term Rate Period, a Weekly Rate Period shall automatically commence for such 2024 Series C Bonds; provided that, notwithstanding anything to the contrary herein, unless a Liquidity Facility is in effect with respect to such 2024 Series C Bonds, such 2024 Series C Bonds shall not be subject to optional tender pursuant to Section 401(a) and shall bear interest at a rate of interest equal to the Stepped Rate determined on each Stepped Rate Determination Date, subject to the provisions of Section 407(b).

(e) Index Rates.

(i) Upon a successful Conversion of any 2024 Series C Bonds to an Index Rate Period pursuant to Section 302 or upon a continuation of 2024 Series C Bonds in an Index Rate Period, and until such 2024 Series C Bonds are successfully converted to another Rate Period pursuant to this Article III, such 2024 Series C Bonds shall bear interest at the Index Rate applicable to such 2024 Series C Bonds, as determined by the Index Agent. Except as may be otherwise specified in a Pricing Notice, (A) the initial Index Rate for each Index Rate Period during which the Index Rate Index is the SIFMA Index, shall apply to the period commencing on the first day of such Index Rate Period and ending on and including the following Wednesday, unless such first day is a Wednesday, in which case the initial Index Rate will only apply to such first day and thereafter, each Index Rate shall apply to the period commencing on and including Thursday (whether or not a Business Day) to and including the following Wednesday, or (B) the initial Index Rate for each Index Rate Period during which the Index Rate Index is a function of Term SOFR, shall apply to the period commencing on the first day of such Index Rate Period to and including the date preceding the next Interest Payment Date and thereafter, each Index Rate shall apply to the period commencing on and including the following Interest Payment Date to and including the date preceding the next Interest Payment Date.

The duration of the Index Rate Period, the Stepped Rate to be applicable to such 2024 Series C Bonds should insufficient funds be available for their purchase at the end of such Index Rate Period, the next Purchase Date, the Index Rate Index, the frequency with which the Index Rate will be recalculated, the Interest Payment Dates applicable to such 2024 Series C Bonds and any alternative Index Rate Determination Dates shall be as specified in the Pricing Notice given with respect to the Conversion of 2024 Series C Bonds to the Index Rate Period pursuant to this Article III or with respect to any new Index Rate and Index Rate Period for 2024 Series C Bonds then bearing interest at an Index Rate.

(ii) Determination of Applicable Spread. The Index Rate for Index Rate Bonds shall be based on the Index Rate Index, which shall be designated by the Authority not less than five Business Days prior to a Conversion Date or Purchase Date. The Remarketing Agent shall determine the Applicable Spread to be used in calculating the Index Rate on or before the Index Rate Determination Date preceding the Conversion Date or Purchase Date and such Applicable

Spread shall be documented and communicated to the Trustee and the Authority in a manner that is of general practice and acceptable to the Authority and the Trustee (including, but not limited to a Remarketing Agreement, or such other similar contractual arrangement). The Remarketing Agent shall offer for sale and use its best efforts to sell such 2024 Series C Bonds on the Conversion Date at a price equal to 100% of the principal amount thereof, as provided herein and in the applicable Remarketing Agreement.

(iii) Calculation of Index Rate. The Index Rate for each Index Rate Bond shall be calculated on each Index Rate Determination Date (preceding the date on which such Index Rate is to become effective) by the Index Agent and shall be equal to: (A) the Index Rate Index on the Index Rate Determination Date, as determined by the Index Agent, plus (B) the Applicable Spread that was determined pursuant to the preceding paragraph, and such Index Rate shall be rounded upwards to the nearest one hundredth of one percent (0.01%). Upon Conversion to or continuation of an Index Rate Period, unless otherwise specified in the Pricing Notice, the Index Rate (as calculated from time to time pursuant to the Pricing Notice) shall apply to the period commencing on the Conversion Date or the Purchase Date and ending on such date as provided in Section 302(e)(i) above. Notwithstanding anything to the contrary in this Section, the Index Rate may be calculated by the Remarketing Agent, with the approval of the Authority, on any Business Day not more than sixty (60) Business Days nor less than two (2) Business Days prior to such Conversion Date; and thereafter, each Index Rate, as determined above, shall apply to the Index Rate Period as determined in Section 302(e)(i) above.

The Index Agent shall calculate the Index Rate for the Index Rate Bonds as provided above and shall furnish such Index Rate to the Trustee (if the Trustee is not also the Index Agent) and the Authority by electronic means no later than the Business Day next succeeding each Index Rate Determination Date. Upon the request of a Holder, the Trustee shall confirm by electronic means the Index Rate then in effect. In lieu of the notifications provided in the preceding sentences, the Trustee may make such information available by readily accessible electronic means.

The Trustee shall, as soon as available and by no later than the Business Day preceding each Interest Payment Date, notify the Authority in writing of the total amount of interest payable with respect to the Index Rate Bonds on such Interest Payment Date.

If the Index Agent shall fail to calculate an Index Rate for any reason, the determination of the applicable Index Rate shall be made by the Remarketing Agent at the direction of the Authority. The determination of any Index Rate by the Index Agent or, as aforesaid, the Remarketing Agent, at the direction of the Authority, shall be conclusive and binding upon the Authority, the Trustee, the Liquidity Facility Provider, if any, the Remarketing Agent, the Index Agent and the Holders.

(iv) Index Rate Continuation. The Authority may establish a new Index Rate Period and Index Rate for any Index Rate Bonds by delivery of a written notice consistent with the provisions of Section 302(e)(v) (an “Index Rate Continuation Notice”) to the Trustee, the Index Agent, the Remarketing Agent and the applicable Liquidity Facility Provider, if any, for such Index Rate Bonds no less than thirty-five (35) days prior to the effective date of the new

Index Rate Period. The effective date of the new Index Rate Period must be a day on which such Index Rate Bonds are subject to optional redemption pursuant to Section 502(b) or a Business Day on which such 2024 Series C Bonds are subject to mandatory tender pursuant to the applicable provisions of Section 403(a). No later than five (5) Business Days prior to the effective date of such new Index Rate Period, the Authority shall deliver to the Trustee a Pricing Notice consistent with the provisions of Section 302(e)(v). Each Index Rate Bond shall be subject to mandatory tender on the first day of such new Index Rate Period. No new Index Rate shall become effective unless all such Index Rate Bonds are successfully remarketed in the new Index Rate Period at the new Index Rate on the first day of the new Index Rate Period.

(v) Contents of The Index Rate Continuation Notice; Contents of Pricing Notice. The Authority's Index Rate Continuation Notice must specify: (i) the proposed Index Rate Period; (ii) whether the Liquidity Facility then in effect, if any, will remain in effect; (iii) if a new Liquidity Facility will be in effect after the effective date of the new Index Rate Period and Index Rate; and (iv) the expected ratings, if any, on such Index Rate Bonds following the establishment of a new Index Rate Period and Index Rate.

The Pricing Notice delivered in connection with a Conversion to or continuation of an Index Rate must specify: (1) the duration of the Index Rate Period, (2) the optional redemption provisions applicable to such Index Rate Bonds during such Index Rate Period, if any, (3) the Stepped Rate to be applicable to such Index Rate Bonds should insufficient funds be available to purchase such bonds at the end of such Index Rate Period, (4) the proposed next Purchase Date, if any, (5) the Index Rate Index, (6) the frequency with which the Index Rate shall be recalculated, (7) the proposed Interest Payment Dates applicable to such Index Rate Bonds while bearing interest in an Index Rate Period, and (8) alternative Index Rate Determination Dates and Stepped Rate Determination Dates, if any.

(vi) Notice to Holders. Upon receipt of an Index Rate Continuation Notice from an Authorized Representative, as soon as possible, but in any event not less than thirty (30) days prior to the first day of the proposed Index Rate Period, the Trustee shall give notice by first-class mail to the Holders of the affected Index Rate Bonds, the Index Agent (if the Trustee is not the Index Agent) and the Remarketing Agent, which notice shall state:

(A) in substance that a new Index Rate Period is to be established for such Index Rate Bonds on the applicable Index Rate Conversion Date if the conditions specified in this 2024 Series C Resolution (and generally described in such notice) are satisfied on or before such date;

(B) the first day of the new Index Rate Period;

(C) Reserved;

(D) that a new Index Rate Period and Index Rate for such Index Rate Bonds shall not be established unless all such Index Rate Bonds are successfully remarketed in the new Index Rate Period and at the new Index Rate on the first day thereof;

(E) the CUSIP numbers or other identification information of such Index Rate Bonds;

(F) that all affected Index Rate Bonds are subject to mandatory tender for purchase on the first day of the new Index Rate Period (whether or not the proposed new Index Rate Period becomes effective on such date, unless the 2024 Series C Bonds are not supported by a Liquidity Facility, then the 2024 Series C Bonds will be purchased only upon a successful remarketing at the new Index Rate) at the purchase price; and

(G) that, to the extent that there shall be on deposit with the Trustee on the first day of the new Index Rate Period an amount of money sufficient to pay the purchase price thereof, all such Index Rate Bonds not delivered to the Trustee on or prior to such date shall be deemed to have been properly tendered for purchase and shall cease to constitute or represent a right on behalf of the Holder thereof to the payment of principal thereof or interest thereon and shall represent and constitute only the right to payment of the purchase price on deposit with the Trustee, without interest accruing thereon after such date.

(vii) End of Index Rate. In the event the Authority fails to give an Index Rate Continuation Notice or a notice of Conversion, as applicable, with respect to Index Rate Bonds at the time required by this Section 302(e), as applicable, or if the conditions to the effectiveness of a new Index Rate Period and new Index Rate as herein provided or the conditions to Conversion to another Rate Period are not satisfied, then on the day following the last day of the current Index Rate Period, a Weekly Rate Period shall automatically commence for such 2024 Series C Bonds; provided that, notwithstanding anything to the contrary in this 2024 Series C Resolution, unless a Liquidity Facility is in effect with respect to such 2024 Series C Bonds, such 2024 Series C Bonds shall not be subject to optional tender pursuant to Section 401(a) and shall bear interest at a rate of interest equal to the Stepped Rate determined on each Stepped Rate Determination Date, subject to the provisions of Section 407(b).

(f) Conversions Between Variable Rate Periods. All or any portion of the 2024 Series C Bonds may be Converted from one Variable Rate Period to another Variable Rate Period at the election of the Authority and the consent of the Liquidity Facility Provider (which consent shall not be unreasonably withheld), if any, as follows:

(i) In any such case, the Conversion Date to a different Variable Rate Period shall be a date on which the 2024 Series C Bonds in the current Variable Rate Period could be optionally redeemed pursuant to Section 502.

(ii) If after the Conversion Date, the 2024 Series C Bonds are to be Liquidity Facility Bonds, it is a condition to each such Conversion that a Liquidity Facility be in place and that the interest component of the Liquidity Facility after such Conversion be at least equal to the applicable Interest Coverage Requirement.

(iii) The Authority shall give written notice of any such Conversion to the Trustee, the Liquidity Facility Provider, if any, the Credit Provider, if any, and the Remarketing Agent not less than twenty (20) days prior to the proposed Conversion Date. Such notice shall

specify the proposed Conversion Date and the Variable Rate Period to which the Conversion will be made, the principal amount of 2024 Series C Bonds to be Converted, and the Rate Periods from which 2024 Series C Bonds to be Converted shall be selected by the Trustee as directed by the Authority.

(iv) Not less than fifteen (15) days prior to the Conversion Date, the Trustee shall mail (by first class mail) a written notice, prepared by the Authority, of the Conversion to the Holders of the 2024 Series C Bonds to be Converted. Such notice shall state that such 2024 Series C Bonds are subject to mandatory tender for purchase at par plus accrued interest to, but not including, the Conversion Date.

(v) The Variable Rate for the Variable Rate Period commencing on the Conversion Date shall be determined by the Remarketing Agent in the manner provided in subsection (a) above on the date set forth in subsection (b) through (e) above, whichever is applicable to the Variable Rate Period to which the Conversion shall be made.

(g) Conversions to Variable Rate Period from Flexible Rate Periods. All or any portion of the 2024 Series C Bonds may be Converted from Flexible Rate Periods to a Variable Rate Period at the election of the Authority, as follows:

(i) The Conversion Date shall be a day which is the last Interest Payment Date on which interest is payable for all Flexible Rate Periods theretofore established pursuant to Section 303 hereof for the 2024 Series C Bonds being so Converted.

(ii) The Authority shall give written notice of any such Conversion to the Trustee, the Liquidity Facility Provider, if any, and the Remarketing Agent no fewer than twenty (20) days prior to the proposed Conversion Date. Such notice shall specify the proposed Conversion Date, the Variable Rate Period to which the Conversion will be made, the principal amount of the 2024 Series C Bonds to be Converted and the Rate Periods from which the 2024 Series C Bonds shall be Converted. If only a portion of the 2024 Series C Bonds bearing interest in any Rate Period is to be Converted, then the Trustee shall select the 2024 Series C Bonds to be Converted from such Rate Periods specified in such notice. The Trustee shall give notice of Conversion to the Holders of the 2024 Series C Bonds to be Converted not less than fifteen (15) days prior to the Conversion Date in the manner prescribed by Section 302(f)(iv) hereof. Notwithstanding the foregoing, however, no Conversion shall be effected unless, prior to the date on which such notice is required to be given by the Trustee, the Trustee shall have received written confirmation from the Remarketing Agent to the effect that it has not established and will not establish any Flexible Rate Periods extending beyond the Conversion Date for 2024 Series C Bonds which are to be Converted.

(iii) The Variable Rate for the Variable Rate Period commencing on the Conversion Date shall be established and notice thereof shall be given in the same manner as is provided for Conversions from one Variable Rate Period to another pursuant to subsection 302(f)(v) above.

(iv) If after the Conversion Date the 2024 Series C Bonds are to be Liquidity Facility Bonds it is a condition to each such Conversion that a Liquidity Facility be in place and that the interest component of the Liquidity Facility after such Conversion be at least equal to the applicable Interest Coverage Requirement.

303. Flexible Rates; Conversions to Flexible Rate Periods from Variable Rate Period.

(a) Flexible Rates. A Flexible Rate for each Flexible Rate Period shall be determined as follows: The Flexible Rate Period for each 2024 Series C Bond bearing interest at a Flexible Rate shall be of such duration not exceeding 1,092 days, as may be offered by the Remarketing Agent and specified by the purchaser pursuant to Section 402 or 403 hereof; provided, however, that if the Remarketing Agent has received notice of a Conversion to a Variable or Fixed Rate Period, no Flexible Rate Period for 2024 Series C Bonds which are to be Converted shall extend past the Conversion Date, and any 2024 Series C Bond may bear interest at a Flexible Rate for a Flexible Rate Period different from any other 2024 Series C Bond; provided, however, that each such Flexible Rate Period shall (A) commence on a Business Day (initially, the Flexible Rate Conversion Date) and (B) end on a day which is a Business Day that is no later than the aforementioned Conversion Date, the maturity date or date of earlier payment thereof. Not later than 11:30 a.m., New York City time, on the first day of each Flexible Rate Period, the Remarketing Agent shall offer for sale and use its best efforts to find purchasers for all 2024 Series C Bonds bearing interest at Flexible Rates required to be purchased on such date. In remarketing the 2024 Series C Bonds, the Remarketing Agent shall offer and accept purchase commitments for the 2024 Series C Bonds for such Flexible Rate Periods and at such Flexible Rates as it deems to be advisable in order to minimize the net interest cost on the 2024 Series C Bonds during the time that the 2024 Series C Bonds bear interest at Flexible Rates, taking into account prevailing market conditions; provided, however, that the foregoing shall not prohibit the Remarketing Agent from accepting purchase commitments for longer Flexible Rate Periods (and at higher Flexible Rates) than are otherwise available at the time of any remarketing if the Remarketing Agent determines that, taking into account prevailing market conditions, a lower net interest cost on the 2024 Series C Bonds can be achieved over the longer Flexible Rate Period; provided, further, that for each 2024 Series C Bond, the Flexible Rate for each Flexible Rate Period shall be the lowest rate which, in the judgment of the Remarketing Agent, taking into account prevailing market conditions, would result in the market value of such 2024 Series C Bond being equal to the principal amount thereof on the effective date of such rate. The Flexible Rate Period and the Flexible Rate for each Flexible Rate Period shall be determined by the Remarketing Agent not later than 1:00 p.m., New York City time, on the first day of such Flexible Rate Period and shall be provided to the Authority and the Trustee in writing by the close of business on the same day. Subject to the provisions of Section 305, notice of the Flexible Rate Period and the Flexible Rate shall be given by the Trustee by first class mail to each Holder and to the Liquidity Facility Provider, if any, upon its request as soon as practicable after such Flexible Rate Period and Flexible Rate are determined. All determinations of Flexible Rates and Flexible Rate Periods by the Remarketing Agent shall be conclusive and binding upon the Authority, the Trustee and the Holders of the 2024 Series C Bonds. In no event shall any Flexible Rate exceed the Maximum Rate.

(b) Conversions to Flexible Rate Periods from Variable Rate Periods. All or any portion of the 2024 Series C Bonds may be Converted from any Variable Rate Period to a Flexible Rate Period at the election of the Authority and the consent of the Liquidity Facility Provider (which consent shall not be unreasonably withheld), if any, as follows:

(i) In any such case, the Conversion Date shall be a date on which the 2024 Series C Bonds in the current Variable Rate Period could be optionally redeemed pursuant to Section 502.

(ii) If after the Conversion Date the 2024 Series C Bonds are to be Liquidity Facility Bonds, it is a condition to each such Conversion that a Liquidity Facility be in place and that the interest component of the Liquidity Facility after such Conversion be at least equal to the applicable Interest Coverage Requirement.

(iii) The Authority shall give written notice of any such Conversion to the Trustee, the Liquidity Facility Provider, if any, and the Remarketing Agent not less than twenty (20) days prior to the proposed Conversion Date, specifying the proposed Conversion Date, the principal amount of 2024 Series C Bonds to be Converted, and the Rate Periods from which the 2024 Series C Bonds shall be Converted. If only a portion of the 2024 Series C Bonds bearing interest in any Rate Period is to be Converted, then the Trustee shall select the 2024 Series C Bonds to be Converted from such Rate Periods specified in such notice.

(iv) Subject to the provisions of Section 305, not less than fifteen (15) days prior to the Conversion Date, the Trustee shall mail (by first class mail) a written notice of the Conversion (prepared and furnished to the Trustee by the Authority) to the Holders of the 2024 Series C Bonds to be Converted, specifying the Conversion Date and setting forth the matters required to be stated pursuant to Section 302(f)(v) above.

304. Fixed Rate; Conversion to Fixed Rate Period. All or any portion of the 2024 Series C Bonds bearing interest at Variable Rates or Flexible Rates may be Converted to bear interest at Fixed Rates as serial maturities, term bonds, or a combination of both, to their final maturity, provided that, the Authority shall have received a letter from the Rating Agency, if any, then maintaining a rating on the 2024 Series C Bonds to the effect that the proposed Conversion will not adversely affect the then existing rating on the 2024 Series C Bonds then bearing interest at Fixed Rates. Any such Conversion shall be made as follows and subject to the following conditions:

(a) Conversion From Variable Rate Period or Flexible Periods. The Fixed Rate Conversion Date shall be a date selected by the Authority. The Authority shall give written notice of any such Conversion to the Trustee, the Liquidity Facility Provider, if any, and the Remarketing Agent not less than thirty (30) days prior to the proposed Conversion Date. Such notice shall specify the Fixed Rate Conversion Date, the principal amount of the 2024 Series C Bonds to be Converted, and the Rate Periods from which the 2024 Series C Bonds to be Converted shall be selected by the Trustee and the revised schedule of maturities and Redemption Requirements, if any, for the 2024 Series C Bonds to be Converted, as contemplated by Section 203(e).

(i) The Remarketing Agent shall determine the Fixed Rates for 2024 Series C Bonds to be Converted from any Rate Period, which shall be the lowest rate of interest for each maturity which, in the judgment of the Remarketing Agent, taking into account prevailing market conditions, would permit the applicable 2024 Series C Bonds to be sold at a purchase price equal to one hundred percent (100%) of the principal amount thereof plus any accrued interest thereon as of the effective date of such rate. The Authority may, at its discretion, elect to cause the Fixed Rate to be an indexed floating interest rate which is a function of Term SOFR or an index of the SIFMA selected by the Authority and effective from the Fixed Rate Conversion Date to and including the applicable maturity date. In the event the Authority elects to cause the Fixed Rate to be such an indexed floating interest rate, the Authority shall so notify the Remarketing Agent, and the Fixed Rate shall be the lowest interest rate that is a function of Term SOFR or such index of the SIFMA selected by the Authority for each maturity plus an applicable spread, if any, which, in the judgment of the Remarketing Agent, taking into account prevailing market conditions, would permit the applicable 2024 Series C Bonds to be sold at a purchase price equal to one hundred percent (100%) of the principal amount thereof plus any accrued interest thereon as of the effective date of such rate.

(ii) Notice of Conversion shall be given by first class mail by the Trustee to the Holders of the 2024 Series C Bonds to be Converted not less than fifteen (15) days prior to the Fixed Rate Conversion Date. Such notice shall be prepared and furnished to the Trustee by the Authority and shall inform the Holders of:

(A) the proposed Fixed Rate Conversion Date; and

(B) the matters required to be stated pursuant to Section 404 hereof with respect to purchases of 2024 Series C Bonds governed by such Section.

(iii) Except as provided in subparagraph (i) above, not later than 12:00 p.m., New York City time, on the Business Day prior to a Fixed Rate Conversion Date, the Remarketing Agent shall determine the Fixed Rate for the applicable 2024 Series C Bonds and shall provide such Fixed Rates in writing to the Authority and the Trustee prior to the close of business on the same day.

(iv) Any Conversion to a Fixed Rate pursuant to this Section 304(a) shall be subject to the following conditions:

(A) If a proposed Conversion to a Fixed Rate fails to occur for any reason after the Trustee has given notice to the Bondholders pursuant to Section 304(a)(ii) hereof, the interest rate on the 2024 Series C Bonds to have been Converted shall be automatically Converted to a Weekly Rate as set forth in the last sentence of Section 301 hereof. The Trustee shall promptly notify such Holders of such failed Conversion and the effect thereof. If a proposed Conversion to a Fixed Rate fails to occur for any reason, but the Trustee has not given notice to the Holders of the 2024 Series C Bonds to have been Converted pursuant to Section 304(a)(ii) hereof, such 2024 Series C Bonds shall continue to bear interest at the last effective Variable Rate if the Conversion was to have been made from a Variable Rate Period, or at Flexible Rates if the Conversion was to have been made from Flexible Rate Periods.

(B) The determination of one or more Fixed Rates pursuant to this Section shall be conclusive and binding upon the Authority, the Trustee and the Holders of the 2024 Series C Bonds.

(C) In no event shall any Fixed Rate exceed the Maximum Rate.

(D) Immediately prior to such Conversion there shall be on deposit in the Capital Reserve Fund an amount equal to the Capital Reserve Fund Requirement, taking into account the 2024 Series C Bonds then bearing interest or being Converted to bear interest at Fixed Rates.

(E) The Liquidity Facility, if any, and the Credit Facility, if any, relating to 2024 Series C Bonds to be Converted to bear interest at a Fixed Rate shall terminate not earlier than the applicable Fixed Rate Conversion Date; however, the Liquidity Facility, if any, and the Credit Facility, if any (including any extensions or substitutions thereof) shall automatically terminate with respect to the 2024 Series C Bonds being so Converted on the fifth Business Day following the effective date of the Conversion to Fixed Rates.

305. No Liability for Failure of Notice. The Authority, the Trustee and the Remarketing Agent shall not be liable to any Holders for failure to give any notice required by Section 302, 303 or 304 hereof or for failure of any Holders to receive any such notice.

306. Bank Bonds. Each Bank Bond shall bear interest for each day it is a Bank Bond on the principal amount thereof at the Bank Rate determined and payable in accordance with the Liquidity Facility or Reimbursement Agreement from the related Purchase Date of such Bank Bond until the principal amount of such Bank Bond is paid. Notwithstanding any other provision of this 2024 Series C Resolution, the interest on each Bank Bond shall be payable to the applicable Liquidity Facility Provider or any other holder of the Bank Bonds, by wire transfer in immediately available funds on each Interest Payment Date, on the date of any redemption or remarketing thereof and on the date that any Alternate Liquidity Facility or Alternate Credit Facility becomes effective in accordance with Section 802 hereof. In no event shall the Bank Rate exceed the Maximum Rate. The principal amount of each Bank Bond shall be subject to mandatory redemption as provided in Section 504 hereof.

307. Stepped Rate Calculation; Weekly Rate Period Rate. The Index Agent shall calculate the Stepped Rate to be applicable to any Variable Rate Bonds on each Stepped Rate Determination Date and furnish such calculations to the Trustee. The Trustee will furnish the Stepped Rate calculations to the Authority by electronic means on each Stepped Rate Determination Date. The initial Stepped Rate with respect to Variable Rate Bonds shall be applicable to such Variable Rate Bonds during the period from and including the Failed Tender Date to and including the following Wednesday (unless the Failed Tender Date is a Wednesday, in which event the initial rate will only apply to such Wednesday) and, thereafter, the Stepped Rate with respect to a Variable Rate Bond will apply for each calendar week, commencing on and including Thursday to and including the following Wednesday, unless a change in spread occurs within a calendar week, until such Variable Rate Bond is purchased. The Index Agent's

calculations of the Stepped Rate or Rates for any calendar week shall reflect any applicable changes in the Stepped Rate that, by definition, will occur during such period, including any applicable changes in the spread to be applied to the Stepped Rate Index.

Notwithstanding anything to the contrary in the 2024 Series C Resolution, including Section 302(c) hereof, in a Weekly Rate Period during which 2024 Series C Bonds bear interest at the Stepped Rate, the rate of interest applicable to such 2024 Series C Bonds during each calendar week shall be the Stepped Rate, calculated as set forth in this Section 307, including any applicable changes in the actual rate of interest that occur during such calendar week as reflected in such calculations.

308. No Partial Conversion of Rate Period While Credit Facility in Effect.

Notwithstanding anything contained herein to the contrary, so long as a Credit Facility supports 2024 Series C Bonds, no partial conversion of the 2024 Series C Bonds to a different Rate Period is permitted and any election by the Authority to convert to a different Rate Period must apply to all outstanding 2024 Series C Bonds.

**ARTICLE IV
TENDER AND PURCHASE OF BONDS**

401. Optional Tenders During Variable Rate Periods.

(a) Purchase Dates. Subject to the provisions of Sections 409 and 411 hereof, the Holders of Liquidity Facility Bonds, if any, bearing interest at a Daily Rate or Weekly Rate may elect to have their Liquidity Facility Bonds (or portions thereof in Authorized Denominations) purchased at a purchase price equal to 100% of the principal amount of such Liquidity Facility Bonds (or portions), plus, if the applicable Purchase Date is other than an Interest Payment Date for such Liquidity Facility Bonds, accrued interest, if any, on the following Purchase Dates and upon the giving of the following telecopy, telex or written notices meeting the further requirements of subsection (b) below:

(i) Liquidity Facility Bonds (or portions) bearing interest at Daily Rates may be tendered for purchase at a price payable in immediately available funds on any Business Day prior to Conversion from a Daily Rate Period to a different Rate Period upon delivery of a written notice of tender to the Trustee and the Remarketing Agent not later than 10:30 a.m. New York City time, on the Purchase Date; and

(ii) Liquidity Facility Bonds (or portions) bearing interest at Weekly Rates may be tendered for purchase at a price payable in immediately available funds on any Business Day prior to Conversion from a Weekly Rate Period to a different Rate Period upon delivery of a written notice of tender to the Trustee and the Remarketing Agent not later than 5:00 p.m. New York City time, on any Business Day that is not fewer than seven (7) days prior to the Purchase Date.

(b) Notice of Optional Tender. Each notice of tender:

(i) shall be delivered to the Trustee by Electronic Means, or otherwise at its corporate trust office in St. Paul, Minnesota or at such other office of the Trustee designated in a notice given by the Trustee to the Holders of the Liquidity Facility Bonds and be in form satisfactory to the Trustee, and shall also be delivered to the Remarketing Agent at 745 Seventh Avenue, 19th Floor, New York, New York 10019 Attn: Remarketing Desk;

(ii) shall state (A) the principal amount of the Liquidity Facility Bond (or portion) and the certificate number of the Liquidity Facility Bond to which the notice relates, (B) that the Holder irrevocably demands purchase of such Liquidity Facility Bond or a specified portion thereof in an Authorized Denomination, (C) that if a portion of a Liquidity Facility Bond is to be purchased, the remaining portion of the Liquidity Facility Bond after such purchase will be in an Authorized Denomination, (D) the date on which such Liquidity Facility Bond or portion is to be purchased, and (E) payment instructions with respect to the purchase price; and

(iii) shall automatically constitute (A) an irrevocable offer to sell the Liquidity Facility Bond (or portion thereof) to which the notice relates on the Purchase Date at a price equal to the principal amount of such Liquidity Facility Bond (or portion thereof) plus, if the applicable Purchase Date is other than an Interest Payment Date for such Liquidity Facility Bonds, any interest thereon accrued and unpaid as of the Purchase Date, (B) an irrevocable authorization and instruction to the Trustee to effect transfer of such Liquidity Facility Bond (or portion thereof) upon payment of such price to the Trustee on the Purchase Date, (C) an irrevocable authorization and instruction to the Trustee to effect the exchange of the Liquidity Facility Bond to be purchased in whole or in part for other Liquidity Facility Bonds in an equal aggregate principal amount so as to facilitate the sale of such Liquidity Facility Bond (or portion thereof to be purchased), (D) an agreement to deliver such Liquidity Facility Bond to the Trustee at or before the time required by Section 401(e) (vi) hereof, and (E) an acknowledgment that such Holder will have no further rights with respect to such Liquidity Facility Bond (or portion thereof) upon payment of the purchase price thereof to the Trustee on the Purchase Date, except for the right of such Holder to receive such purchase price upon surrender of such Liquidity Facility Bond to the Trustee and that after the Purchase Date such Holder will hold any undelivered Liquidity Facility Bond as custodian for the Trustee. The determination of the Trustee as to whether a notice of tender has been properly delivered pursuant to the foregoing shall be conclusive and binding upon the Holder.

(c) Liquidity Facility Bonds to be Remarketed. Not later than 11:00 a.m., New York City time, on the date of receipt of any notice of tender in the case of Liquidity Facility Bonds bearing interest at a Daily Rate and in all other cases on the second Business Day immediately following the date of receipt of any notice of tender, the Trustee shall notify, by telephone promptly confirmed in writing, in the case of a Daily Rate, and in writing in all other cases, the Authority, the Remarketing Agent and the Liquidity Facility Provider, of the principal amount of Liquidity Facility Bonds (or portions thereof) to be purchased and the date of purchase.

(d) Remarketing of Tendered Variable Rate Bonds. Subject to and in accordance with the provisions of the Remarketing Agreement, the Remarketing Agent shall offer for sale and use its best efforts to find purchasers for all Liquidity Facility Bonds or portions thereof for which

notice of tender has been received by the Trustee and the Remarketing Agent pursuant to Section 401(b)(i) above. The terms of any sale by the Remarketing Agent shall provide for the payment of the purchase price for tendered Liquidity Facility Bonds by the Remarketing Agent to the Trustee (in exchange for new registered Liquidity Facility Bonds) in immediately available funds at or before 11:00 a.m., New York City time (or confirmation of the transfer of such funds at or before 11:00 a.m., New York City time) on the Purchase Date, in the case of Liquidity Facility Bonds bearing interest at Variable Rates. If moneys representing the proceeds of the remarketing of tendered Liquidity Facility Bonds are not paid by the Remarketing Agent to the Trustee by the times specified in the immediately preceding sentence, the Trustee shall use its best efforts to promptly notify the Liquidity Facility Provider, by telephone (promptly confirmed in writing). Notwithstanding the foregoing, the Remarketing Agent shall not sell any Liquidity Facility Bond as to which a notice of Conversion (A) from one type of Variable Rate Period to another, (B) to Flexible Rate Periods, or (C) to a Fixed Rate Period has been given by the Trustee, unless the Remarketing Agent has advised the person to whom the sale is made of the proposed Conversion.

(e) Purchase and Delivery of Tendered Liquidity Facility Bonds.

(i) Notice. The Remarketing Agent shall give notice by Electronic Means to the Trustee of the principal amount of tendered Liquidity Facility Bonds which were remarketed. Such notice shall be given at the following time: (i) at or before 11:30 a.m. New York City time, on the Purchase Date in the case of tendered Liquidity Facility Bonds bearing interest at Daily Rates; and (ii) for Liquidity Facility Bonds bearing interest at Weekly Rates, at or before 3:00 p.m., New York City time, on the Business Day immediately preceding the date fixed for purchase. Promptly upon receipt of any notice described in the immediately preceding sentence, the Trustee shall use its best efforts to notify the Liquidity Facility Provider, if any, by telephone (promptly confirmed in writing) of the principal amount of tendered Liquidity Facility Bonds which it has been advised by the Remarketing Agent were not remarketed. Except with respect to Liquidity Facility Bonds bearing interest at Daily Rates, at or before 3:00 p.m., New York City time, on the Business Day prior to the Purchase Date to the extent known to the Remarketing Agent, but in any event no later than 11:45 a.m., New York City time, on the date fixed for purchase, the Remarketing Agent shall give notice to the Trustee by telephone (promptly confirmed in writing) of the names, addresses and taxpayer identification numbers of the purchasers, the denominations of Liquidity Facility Bonds to be delivered to each purchaser and, if available, payment instructions for regularly scheduled interest payments, or of any changes in any such information previously communicated.

(ii) Sources of Payments. The Remarketing Agent shall cause to be paid to the Trustee on the date fixed for purchase of tendered Liquidity Facility Bonds, all amounts representing proceeds of the remarketing of such Liquidity Facility Bonds, such payments to be made in the manner and at the time specified in subsection 401(d) above. If such amounts are not sufficient to pay the purchase price of tendered Liquidity Facility Bonds, the Trustee shall thereupon draw upon the Liquidity Facility in an amount and in sufficient time to deliver or cause to be delivered (A) immediately available funds in an amount equal to such deficiency prior to 3:00 p.m., New York time, on the date set for purchase of tendered Liquidity Facility Bonds bearing interest at Daily Rates, and (B) immediately available funds in an amount equal to such deficiency prior to 3:00 p.m. New York City time, on the date set for purchase of tendered

Liquidity Facility Bonds bearing interest at Weekly Rates. If the proceeds of such draw on the Liquidity Facility are not available, such deficiency may be funded by moneys furnished by the Authority to the Trustee. All moneys received by the Trustee and described in (A), (B) and (C) of subparagraph (iii) below shall be deposited by the Trustee in the Purchase Fund to be used solely for the payment of the purchase price of tendered Liquidity Facility Bonds and shall not be deposited in the General Receipts Fund, shall not be invested and shall not be commingled with other funds held by the Trustee, and each category of such moneys shall be deposited in a separate and segregated account within the Purchase Fund not commingled one with another.

(iii) Payments by the Trustee. At or before 3:30 p.m., New York City time, on the date set for purchase of tendered Liquidity Facility Bonds and upon receipt by the Trustee of 100% of the aggregate purchase price of the tendered Liquidity Facility Bonds, the Trustee shall pay the purchase price of such Liquidity Facility Bonds to the Holders thereof who have tendered their Liquidity Facility Bonds for payment. Such payments shall be made in immediately available funds. The Trustee shall apply in order of priority (A) moneys paid to it by the Remarketing Agent as proceeds of the remarketing of such Liquidity Facility Bonds by the Remarketing Agent, (B) moneys representing proceeds of a drawing by the Trustee under the Liquidity Facility, if any, to pay the purchase price of tendered Liquidity Facility Bonds, and (C) other moneys furnished by the Authority. If sufficient funds are not available for the purchase of all tendered Liquidity Facility Bonds, no purchases shall be consummated, all as further set forth in Section 406 and 407 hereof. Any funds remaining in the Purchase Fund after giving effect to this Section 401(e)(iii) shall be applied as provided in Section 602(b).

(iv) Registration and Delivery of Tendered or Purchased Liquidity Facility Bonds. On the date of purchase, the Trustee shall register and deliver or cancel, as set forth in (C) below, all Liquidity Facility Bonds purchased on any Purchase Date as follows: (A) Liquidity Facility Bonds purchased or remarketed by the Remarketing Agent shall be registered and made available to the Remarketing Agent in accordance with the instructions of the Remarketing Agent; (B) Liquidity Facility Bonds purchased with moneys representing proceeds of a drawing by the Trustee under a Liquidity Facility shall be registered in the name of the Liquidity Facility Provider and held by the Trustee for the account of the Liquidity Facility Provider or at the direction of the Liquidity Facility Provider, delivered to the Liquidity Facility Provider; provided, however, such Liquidity Facility Bonds need not be delivered to the Trustee and registered in the name of the Liquidity Facility Provider if (1) DTC or its nominee, Cede & Co., is the registered owner of all the Liquidity Facility Bonds and (2) the Liquidity Facility Provider's or the Liquidity Facility Provider's nominee's beneficial ownership of such Liquidity Facility Bonds is appropriately recorded by DTC on its books; and (C) Liquidity Facility Bonds purchased with moneys furnished to the Trustee by the Authority, shall, at the direction of the Authority, either be cancelled or delivered to the Authority. Any Liquidity Facility Bonds held by or for the account of the Authority are not entitled to the benefit of a Liquidity Facility.

(v) Resale of Bank Bonds. Subject to and in accordance with the provisions of the Remarketing Agreement, unless otherwise directed by the Liquidity Facility Provider in accordance with the Liquidity Facility, the Remarketing Agent shall use its best efforts to find purchasers for Bank Bonds purchased with funds drawn under the Liquidity Facility. If any Bank Bonds are subsequently remarketed, the Trustee shall register such Liquidity Facility Bonds in

such names and deliver them to such new Bondholders as shall have been specified to the Trustee by the Remarketing Agent or the Liquidity Facility Provider. The proceeds received by the Trustee from the remarketing of Bank Bonds shall be paid by the Trustee to the Liquidity Facility Provider. The Trustee is authorized to release Bank Bonds when it has received remarketing proceeds in an amount equal to the unreimbursed amount of the drawing on the Liquidity Facility plus any accrued interest thereon at the Bank Rate, the proceeds of which were used to purchase such Bank Bonds, and shall have delivered such proceeds to the Liquidity Facility Provider. Nothing in this 2024 Series C Resolution prohibits the Liquidity Facility Provider from selling Bank Bonds as Bank Bonds in accordance with the Liquidity Facility.

(vi) Delivery of Liquidity Facility Bonds; Effect of Failure to Surrender Liquidity Facility Bonds. All Liquidity Facility Bonds to be purchased on any date shall be required to be delivered to the corporate trust office of the Trustee in St. Paul, Minnesota or at such other office of the Trustee designated in a written notice given by the Trustee to the Holders of the Liquidity Facility Bonds at or before 12:00 noon, New York City time, on the Purchase Date in the case of Liquidity Facility Bonds bearing interest at Daily or Weekly Rates. If the Holder of any Liquidity Facility Bond (or portion thereof) that is subject to purchase pursuant to this Section fails to deliver such Liquidity Facility Bond to the Trustee for purchase on the Purchase Date, and if the Trustee is in receipt of the purchase price therefor, such Liquidity Facility Bond (or portion thereof) shall nevertheless be deemed purchased on the day fixed for purchase thereof and ownership of such Liquidity Facility Bond (or portion thereof) shall be transferred to the purchaser thereof as provided in subsection (e)(iv) above. Any Holder who fails to deliver such Liquidity Facility Bond for purchase shall have no further rights thereunder except the right to receive the purchase price thereof, and interest accrued to the Purchase Date, upon presentation and surrender of said Liquidity Facility Bond to the Trustee.

402. Tender During Flexible Rate Periods.

(a) Purchase Dates. Each 2024 Series C Bond bearing interest at a Flexible Rate shall be subject to mandatory tender for purchase on the last day of each Flexible Rate Period applicable to such 2024 Series C Bond at a purchase price equal to 100% of the principal amount thereof. Payment shall be made upon presentation of such 2024 Series C Bond by the Holder to the Trustee at or before 12:00 noon, New York City time, on the last day of the Flexible Rate Period in exchange for payment of the purchase price equal to 100% of the principal thereof and payment of accrued interest, both in immediately available funds by 2:00 p.m. of the same Business Day. Each subsequent Flexible Rate Period and mandatory tender date for a 2024 Series C Bond shall be established on the date of purchase of such 2024 Series C Bond as hereinafter provided. The Holder of any 2024 Series C Bond bearing interest at a Flexible Rate and tendered for purchase as provided in this Section 402(a) shall provide the Trustee with payment instructions for the purchase price of its 2024 Series C Bond and accrued interest upon tender thereof to the Trustee. During the Flexible Rate Period, the 2024 Series C Bonds are not subject to tender at the option of the Holder.

(b) Remarketing of Tendered Flexible Rate Bonds. Subject to and in accordance with the provisions of the Remarketing Agreement, not later than 11:30 a.m., New York City time, on each Purchase Date, the Remarketing Agent shall offer for sale and use its best efforts to find

purchasers for all 2024 Series C Bonds bearing interest at Flexible Rates required to be purchased on such date. The terms of any sale by the Remarketing Agent shall provide for the payment of the purchase price of tendered 2024 Series C Bonds by the Remarketing Agent to the Trustee in immediately available funds at or before 12:00 p.m., New York City time, on the Purchase Date. In remarketing the 2024 Series C Bonds, the Remarketing Agent shall offer and accept purchase commitments for the 2024 Series C Bonds for such Flexible Rate Periods and at such Flexible Rates as it deems to be advisable in order to minimize the net interest cost on the 2024 Series C Bonds taking into account prevailing market conditions; provided, however, that the foregoing shall not prohibit the Remarketing Agent from accepting purchase commitments for longer Flexible Rate Periods (and at higher Flexible Rates) than are otherwise available at the time of any remarketing if the Remarketing Agent determines that, taking into account prevailing market conditions, a lower net interest cost on the 2024 Series C Bonds can be achieved over the longer Flexible Rate Period. Notwithstanding the foregoing, a Flexible Rate Period may be established for any period up to 1,092 days, provided that, if the Remarketing Agent has given or received notice of any Conversion to a Variable or Fixed Rate Period, no Flexible Rate Period shall expire later than the Conversion Date, and if a Liquidity Facility is in effect, no Flexible Rate Period shall expire later than the fifth (5th) Business Day prior to the expiration date of the Liquidity Facility unless the Liquidity Facility is being replaced by an Alternate Liquidity Facility under circumstances not requiring a mandatory tender for purchase pursuant to Section 404 hereof. The terms of any sale by the Remarketing Agent shall provide for the authorization of the payment of the purchase price by the Remarketing Agent to the Trustee in immediately available funds in exchange for 2024 Series C Bonds registered in the name of the new Holder delivered by the Trustee to the Remarketing Agent at or before 1:30 p.m., New York City time, on the Purchase Date, either by making such 2024 Series C Bonds available to be picked up by the Remarketing Agent at the Trustee's window or by delivery to the Remarketing Agent at an address furnished to the Trustee by the Remarketing Agent, at the option of the Remarketing Agent. Such payment by the Remarketing Agent pursuant to authorization shall be made no later than 2:00 p.m., New York City time, on such date.

(c) Purchase and Delivery of Tendered Flexible Rate Bonds. The provisions of Section 401(e) shall apply to tenders pursuant to this Section 402, provided that for the purpose of so applying such provisions:

(i) the notices required pursuant to Section 401(e)(i) shall be given on the date of purchase at or before (A) 11:30 a.m., New York City time, in the case of the notice from the Remarketing Agent as to the principal amount of 2024 Series C Bonds remarketed for which they will transfer funds to the Trustee, provided that such notice shall be given only in the event that the Remarketing Agent has failed to remarket 2024 Series C Bonds and shall specify the principal amount of 2024 Series C Bonds which the Remarketing Agent has failed to remarket (and in the absence of such notice the Trustee may conclusively assume that the Remarketing Agent has remarketed all 2024 Series C Bonds to be purchased on such date and will transfer such remarketing proceeds to the Trustee) and the Trustee shall use its best efforts to promptly notify the Liquidity Facility Provider, if any, by telephone (promptly confirmed in writing) of the principal amount of Bonds which it has been advised the Remarketing Agent has failed to remarket, and (B) 12:00 p.m., New York City time, in the case of the notice from the Remarketing Agent providing information concerning the purchasers of the 2024 Series C Bonds;

(ii) the manner and time of payment of remarketing proceeds shall be as specified in subsection 402(b) above;

(iii) all payments to tendering Holders shall be paid in immediately available funds at or before 2:00 p.m. New York City time, on the Purchase Date (but only upon presentation of such 2024 Series C Bond or Bonds);

(iv) the deliveries of 2024 Series C Bonds under Section 402(a) shall be required to be made at or before 12:00 noon, New York City time, on each Purchase Date; and

(v) if the Holder of any 2024 Series C Bond bearing interest at a Flexible Rate fails to deliver such 2024 Series C Bond to the Trustee for purchase on the last day of the Flexible Rate Period, and if the Trustee is in receipt of the purchase price therefor, such 2024 Series C Bond shall nevertheless be deemed purchased on the day fixed for purchase thereof and ownership of such 2024 Series C Bond shall be transferred to the purchaser thereof as provided herein, and such former Holder shall have no further rights thereunder except the right to receive the purchase price thereof and accrued interest thereon to the last day of such Flexible Rate Period upon presentation and surrender of said 2024 Series C Bond to the Trustee.

403. Mandatory Tender Upon Variable or Flexible Rate Conversion.

(a) Conversions to Variable Rate Periods. On any Variable Rate Conversion Date pursuant to Section 302(d), 302(e) or 302(f) hereof, 2024 Series C Bonds to be Converted from Flexible Rate Periods to a Variable Rate Period or from any Variable Rate Period to a different type of Variable Rate Period (other than 2024 Series C Bonds to be Converted to a Weekly Rate pursuant to Section 301 or 302(a)(ii) hereof) are subject to mandatory tender for purchase on the Conversion Date at a purchase price equal to the principal amount thereof plus, if the applicable Purchase Date is other than an Interest Payment Date for such 2024 Series C Bonds, any accrued interest thereon to the Purchase Date, without premium.

(b) Conversion to Flexible Rate Periods. On any Flexible Rate Conversion Date pursuant to Section 303(b) hereof, the 2024 Series C Bonds are subject to mandatory tender for purchase on the applicable Conversion Date at a purchase price equal to the principal amount thereof plus, if the applicable Purchase Date is other than an Interest Payment Date for such 2024 Series C Bonds, any accrued interest thereon to the Purchase Date.

(c) Notice to Holders. Any notice of a Conversion Date given to Holders pursuant to Section 302(d)(iv), 302(e)(vi) or 303(b)(iv), hereof shall, in addition to the requirements of such Section, state (i) whether the 2024 Series C Bonds to be Converted will be subject to mandatory tender for purchase on the Conversion Date, (ii) if the 2024 Series C Bonds are subject to such mandatory tender, the time at which 2024 Series C Bonds are to be tendered for purchase and the requirements of such tender, and (iii) if the 2024 Series C Bonds are subject to such mandatory tender, the purchase price for the 2024 Series C Bonds.

(d) Remarketing. Subject to and in accordance with the provisions of the Remarketing Agreement, the Remarketing Agent shall offer for sale and use its best efforts to find purchasers

for such 2024 Series C Bonds. The terms of any sale by the Remarketing Agent shall provide for the payment of the purchase price of tendered 2024 Series C Bonds by the Remarketing Agent to the Trustee in immediately available funds, at or before 1:00 p.m., New York City time, on the Conversion Date.

(e) Purchase and Delivery of Tendered 2024 Series C Bonds. The provisions of Section 401(e) hereof shall apply to tenders pursuant to this Section 403 with respect to 2024 Series C Bonds bearing interest at Variable Rates; provided, however, that for the purpose of applying such provisions:

(i) the notices required pursuant to Section 401(e)(i) shall be given as therein described;

(ii) the manner and time of payment of remarketing proceeds referred to in Section 401(e) (ii) shall be as specified in subsection (d) above;

(iii) all payments to tendering Holders referred to in Section 401(e) (iii) shall be made in immediately available funds; and

(iv) the deliveries of 2024 Series C Bonds under Section 401(e) (vi) shall be required to be made at or before 12:00 noon, New York City time, on the Conversion Date.

The provisions of Section 402(c) hereof shall apply to tenders pursuant to this Section 403 with respect to 2024 Series C Bonds bearing interest at Flexible Rates.

404. Mandatory Tender Upon Termination, Cancellation, Replacement or Expiration of Liquidity Facility or Credit Facility, Mandatory Credit/Liquidity Tender or Mandatory Tender Upon Fixed Rate Conversion or Defeasance; or Upon Default Under Liquidity Facility.

(a) Mandatory Tender for Purchase upon Termination, Cancellation, Replacement or Expiration of Liquidity Facility or Credit Facility; Mandatory Credit/Liquidity Tender. If at any time 2024 Series C Bonds shall cease to be subject to purchase pursuant to the Liquidity Facility or the Credit Facility then in effect as a result of (i) the termination, cancellation, replacement or expiration of the term, as extended, of that Liquidity Facility or Credit Facility, including but not limited to termination at the option of the Authority in accordance with the terms of such Liquidity Facility or Credit Facility, (ii) the occurrence of a Mandatory Credit/Liquidity Tender, or (iii) while a Credit Facility is in effect, defeasance of the 2024 Series C Bonds, then the 2024 Series C Bonds shall be purchased or deemed purchased at a purchase price equal to the principal amount thereof plus, if the applicable Purchase Date is other than an Interest Payment Date for such 2024 Series C Bonds, any accrued interest thereon to the Purchase Date. Any purchase of the Bonds pursuant to this Section 404(a) shall occur: (1) on the fifth Business Day preceding any such expiration or termination of such Liquidity Facility or Credit Facility without replacement by an Alternate Liquidity Facility or an Alternate Credit Facility or as a result of a Mandatory Credit/Liquidity Tender, (2) on or before the date the 2024 Series C Bonds are defeased or purchased by a draw on the Credit Facility, as applicable, or (3) on the proposed date of the replacement of a Liquidity

Facility or a Credit Facility with an Alternate Liquidity Facility or Alternate Credit Facility, respectively. In the case of any replacement of an existing Liquidity Facility or Credit Facility, the existing Liquidity Facility or Credit Facility will be drawn upon to pay the purchase price, if necessary, rather than the Alternate Liquidity Facility or the Alternate Credit Facility. No mandatory tender pursuant to this Section 404(a) will be effected upon the replacement of a Liquidity Facility or a Credit Facility in the case where the Liquidity Facility Provider or the Credit Provider is failing to honor conforming draws. The assignment of any Liquidity Facility to a Liquidity Facility Provider which relieves the prior Liquidity Facility Provider of its obligation to purchase Bonds shall be considered a replacement for the purposes of this Section 404(a).

(b) Mandatory Tender on Fixed Rate Conversion Date. Any Variable Rate Bonds or Flexible Rate Bonds to be Converted to bear interest at the Fixed Rate pursuant to Section 304 hereof shall be subject to mandatory tender for purchase on the Fixed Rate Conversion Date at a purchase price equal to the principal amount thereof plus any accrued interest thereon to the Purchase Date.

(c) Mandatory Tender of Liquidity Facility Bonds Upon Default Under Liquidity Facility or Credit Facility. Variable Rate Bonds and Flexible Rate Bonds that are Liquidity Facility Bonds or that are otherwise supported by a Liquidity Facility or a Credit Facility shall be subject to mandatory tender for purchase no later than the fifth (5th) Business Day preceding the Termination Date (as hereinafter defined) at the principal amount thereof plus any accrued interest thereon to the Purchase Date, following receipt by the Authority, the Remarketing Agent and the Trustee of a written notice from the Liquidity Facility Provider or Credit Provider of an event of default under, and as defined in, the Liquidity Facility, Reimbursement Agreement or Credit Facility and requesting the Trustee to give notice of mandatory tender for purchase of such Liquidity Bonds or 2024 Series C Bonds, specifying the Business Day on which the Liquidity Facility or Credit Facility shall terminate (the “Termination Date”), which shall be not less than twenty (20) days from the date of receipt of such notice by the Trustee.

(d) Notice to Bondholders. Any notice of Conversion given to the Bondholders pursuant to Sections 304(a)(ii) hereof shall, in addition to the requirements of such Section, state that the 2024 Series C Bonds are subject to mandatory tender for purchase on the Fixed Rate Conversion Date, specify the purchase price to be paid therefor upon such mandatory tender, and state that if such 2024 Series C Bonds are Liquidity Facility Bonds, the Liquidity Facility shall terminate on the fifth (5th) Business Day following the Fixed Rate Conversion Date with respect to the 2024 Series C Bonds being Converted. Promptly upon the receipt of notice of a proposed Mandatory Credit/Liquidity Tender from the Liquidity Facility Provider, but in no event more than three (3) Business Days after receipt, the Trustee shall give notice to the Credit Provider (if different from the Liquidity Facility Provider) and the Bondholders of all Liquidity Facility Bonds of the proposed Mandatory Credit/Liquidity Tender. Additionally, the Trustee shall give notice by first class mail to the Bondholders of such Liquidity Facility Bonds of the termination, cancellation, replacement or expiration of a Liquidity Facility or a Credit Facility at least fifteen (15) days prior to such termination, cancellation, replacement or expiration, stating as follows: (i) the effective date of such termination, cancellation, replacement or expiration and (ii) that the 2024 Series C Bonds are subject to mandatory tender pursuant to Section 404(a) and the date for such mandatory tender. Any

notice with respect to the delivery of an Alternate Liquidity Facility or an Alternate Credit Facility given to the Bondholders, shall in addition to the other requirements of this Resolution, state that the 2024 Series C Bonds bearing interest at a Variable Rate or Flexible Rate are subject to mandatory tender for purchase on the Business Day upon which an Alternate Liquidity Facility or the Alternate Credit Facility is to be substituted for the Liquidity Facility or Credit Facility then in effect.

(e) Remarketing. Subject to and in accordance with the provisions of the Remarketing Agreement, the Remarketing Agent shall offer for sale and use its best efforts to find purchasers for the 2024 Series C Bonds; provided, however, that 2024 Series C Bonds which have been tendered pursuant to Section 404(c) may only be sold with the consent of the Liquidity Facility Provider or Credit Provider. With respect to 2024 Series C Bonds tendered for purchase on the Fixed Rate Conversion Date, in no event shall the Remarketing Agent sell any such 2024 Series C Bond to any person unless the Remarketing Agent has advised such Person of the fact that, after the Fixed Rate Conversion Date, the 2024 Series C Bonds will no longer be subject to tender at the option of the Holder. With respect to 2024 Series C Bonds tendered for purchase on the mandatory tender date established pursuant to Section 404(a) hereof, in no event shall the Remarketing Agent sell any such 2024 Series C Bond to any person unless the Remarketing Agent has advised such person of the change in the Liquidity Facility or Credit Facility available for the 2024 Series C Bonds. The terms of any sale by the Remarketing Agent shall provide for the payment of the purchase price to the Trustee of the tendered 2024 Series C Bonds in immediately available funds, at or before 1:00 p.m., New York City time, on the mandatory tender date.

(f) Purchase and Delivery of Tendered 2024 Series C Bonds. The provisions of Section 401(e) shall apply to mandatory tenders pursuant to this Section 404; provided, however, that for the purpose of so applying such provisions:

(i) the notices required pursuant to Section 401(e)(i) shall be given as therein described;

(ii) the manner and time of payment of remarketing proceeds referred to in Section 401(e) (ii) shall be as specified in subsection 404(e) above; and

(iii) the deliveries of 2024 Series C Bonds under Section 401(e)(vi) shall be required to be made at or before 12:00 noon, New York City time, on the Conversion Date or the mandatory tender date established under Section 404(a) or 404(c) hereof, as the case may be.

The provisions of Section 402(c) shall apply to tenders pursuant to this Section 404 with respect to 2024 Series C Bonds bearing interest at Flexible Rates.

405. Changes to Liquidity Facility Bonds or Non-Liquidity Remarketed Bonds.

(a) Notwithstanding any other provision of this 2024 Series C Resolution, the Authority may at its option, also with the consent of the Liquidity Facility Provider (which consent shall not be unreasonably withheld), if any, cause any Liquidity Facility Bonds to become Non-Liquidity Remarketed Bonds or any Non-Liquidity Remarketed Bonds to become Liquidity Facility Bonds on any Conversion Date as described herein upon a written notice to the

Remarketing Agent, the Trustee and the Liquidity Facility Provider (as applicable) that the Authority will cause such a change on the date (a “Non-Liquidity Remarketed Bonds Change Date”) set forth in such written notice, which date shall not occur sooner than 20 days after the date of such notice and upon satisfaction of the conditions set forth in this Section 405.

(b) Prior to any Non-Liquidity Remarketed Bonds Change Date, the Trustee shall deliver a notice to the Holders of the affected 2024 Series C Bonds not less than fifteen (15) days prior to such date, setting forth the following information:

(i) that the Authority has determined to cause Liquidity Facility Bonds to become Non-Liquidity Remarketed Bonds or to cause Non-Liquidity Remarketed Bonds to become Liquidity Facility Bonds, as applicable;

(ii) the proposed Non-Liquidity Remarketed Bonds Change Date;

(iii) that such 2024 Series C Bonds will be remarketed by the Remarketing Agent or purchased by the Trustee on the Non-Liquidity Remarketed Bonds Change Date; and

(iv) that the Authority may elect to cancel such change, notice of which shall be given to Holders at least one week prior to the proposed Non-Liquidity Remarketed Bonds Change Date.

If the Authority elects to cancel such change, the Authority shall give notice of the cancellation to the Remarketing Agent, the Trustee and the Liquidity Facility Provider (as applicable) and, thereafter, the Trustee shall give notice to each Holder of the affected 2024 Series C Bonds of such cancellation at least one week prior to the proposed Non-Liquidity Remarketed Bonds Change Date for which the foregoing notice was given.

(c) Upon any such change, the affected 2024 Series C Bonds shall be subject to mandatory tender in accordance with this Section and Sections 302, 303 and 304 and the Holders thereof shall be notified of such change as provided herein. No affected 2024 Series C Bonds shall be remarketed by the Remarketing Agent on or after the related Non-Liquidity Remarketed Bonds Change Date except to purchasers who agree to accept such change.

(d) In the event that the Authority shall cause any Liquidity Facility Bonds to become Non-Liquidity Remarketed Bonds, such notice shall advise that the Liquidity Facility Bonds shall be subject to mandatory tender (with no right to retain) on the Non-Liquidity Remarketed Bonds Change Date specified in such notice, at a purchase price equal to 100% of the principal amount thereof, together with accrued interest to the date of purchase (payable by the Liquidity Facility Provider in accordance with the Liquidity Facility to the extent remarketing proceeds are insufficient). In the event that the Authority shall cause any Non-Liquidity Remarketed Bonds to become Liquidity Facility Bonds, such notice shall specify the name of the entity providing the Liquidity Facility and shall advise that the Non-Liquidity Remarketed Bonds shall be subject to mandatory tender (with no right to retain) on the Non-Liquidity Remarketed Bonds Change Date specified in such notice at a purchase price equal to 100% of the principal amount thereof, together

with accrued interest to the date of purchase (payable to the extent remarketing proceeds are available therefor).

(e) No change from Liquidity Facility Bonds to Non-Liquidity Remarketed Bonds or from Non-Liquidity Remarketed Bonds to Liquidity Facility Bonds, as the case may be, may be made hereunder unless accompanied by the following documents:

(i) in the case of Non-Liquidity Remarketed Bonds becoming Liquidity Facility Bonds, opinions of counsel reasonably satisfactory to the Authority to the effect that, as applicable, (A) the Liquidity Facility Provider providing the Liquidity 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; (B) the Liquidity Facility is a legal, valid and binding obligation of the Liquidity Facility Provider 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 (C) 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 Liquidity Facility or the remarketing of the Liquidity Facility Bonds with the benefits thereof.

(ii) letters from S&P evidencing that such change will result in (A) the reconfirmation of the then existing long-term rating and (B) if applicable, the assignment of a new short-term rating to the 2024 Series C Bonds of not less than "A-2" by S&P or such other ratings as may be approved by the Authority;

(iii) in the case of Non-Liquidity Remarketed Bonds becoming Liquidity Facility Bonds, copies of any other documents, agreements or arrangements entered into directly or indirectly between the Authority and the Liquidity Facility Provider with respect to the transactions contemplated by the Liquidity Facility; and

(iv) such other documents and opinions as the Authority may reasonably request, including, in the case of Liquidity Facility Bonds becoming Non-Liquidity Remarketed Bonds, evidence that all amounts due and payable to the Liquidity Facility Provider providing the then-existing Liquidity Facility have been paid.

406. Inadequate Funds for Tenders of Liquidity Facility Bonds. If the funds available for purchases of Liquidity Facility Bonds pursuant to this Article IV are inadequate for the purchase of all Liquidity Facility Bonds tendered on any Purchase Date, the Trustee shall: (a) return all tendered Liquidity Facility Bonds to the Holders thereof; (b) return all moneys received for the purchase of such Liquidity Facility Bonds to the persons providing such moneys; and (c) in the case of any optional tender pursuant to Section 401, take such action as may be necessary to arrange for the purchase and delivery of such tendered Liquidity Facility Bonds on each succeeding Business Day until the Business Day on which funds available for purchase of Liquidity Facility Bonds are adequate for the purchase of all Liquidity Facility Bonds tendered on the applicable Purchase Date in accordance with the terms and conditions of this Article IV (in

reliance on earlier delivered notices, directions and confirmations). Any subsequent Business Day on which tendered Liquidity Facility Bonds are purchased and delivered in accordance with (c) above shall be a Purchase Date for purposes of this Article IV. Any Liquidity Facility Bonds returned to the Holders, as provided above, shall bear interest at a rate equal to the Weekly Rate until purchased and delivered in accordance with (c) above.

407. Inadequate Funds of Tenders of Non-Liquidity Facility Remarketed Bonds.

(a) Except as set forth in 407(b), with respect to Non-Liquidity Facility Remarketed Bonds bearing interest during a Variable Rate Period, if sufficient funds are not available for the purchase of all such Non-Liquidity Facility Remarketed Bonds tendered or deemed tendered and required to be purchased on any Purchase Date other than following the end of a Variable Rate Period, all such Non-Liquidity Facility Remarketed Bonds shall bear interest at the Maximum Rate from the date of such failed purchase until all such 2024 Series C Bonds are purchased as required in accordance with this 2024 Series C Resolution, and all tendered Non-Liquidity Facility Remarketed Bonds shall be returned to their respective Holders. Notwithstanding any other provision of this 2024 Series C Resolution, such failed purchase and return shall not constitute an event of default under the General Resolution. Thereafter, the Trustee shall continue to take all such action available to it to obtain remarketing proceeds from the Remarketing Agent. In addition, the Remarketing Agent shall remain obligated to remarket such Non-Liquidity Facility Remarketed Bonds and such Non-Liquidity Facility Remarketed Bonds shall remain subject to optional and mandatory redemption, mandatory tender for purchase, and Conversion as provided in this 2024 Series C Resolution.

(b) For any Non-Liquidity Facility Remarketed Bonds bearing interest during a Variable Rate Period, if sufficient funds are not available for the purchase of all such Non-Liquidity Facility Remarketed Bonds tendered or deemed tendered and required to be purchased on the Purchase Date following the end of the applicable Variable Rate Period, all such Non-Liquidity Facility Remarketed Bonds shall automatically Convert to a Weekly Rate Period and bear interest at a rate of interest equal to the Stepped Rate from such Failed Tender Date until all such Non-Liquidity Facility Remarketed Bonds are purchased as required in accordance with this 2024 Series C Resolution, such rate to be determined in accordance with Section 307 hereof, and all tendered Non-Liquidity Facility Remarketed Bonds shall be returned to their respective Holders. Notwithstanding anything to the contrary in this 2024 Series C Resolution, such Non-Liquidity Facility Remarketed Bonds bearing interest in a Weekly Rate Period at the Stepped Rate shall not be subject to optional tender pursuant to Section 401(a)(ii). Notwithstanding any other provision of this 2024 Series C Resolution, such failed purchase and return shall not constitute an event of default under the General Resolution. In addition, the Remarketing Agent shall remain obligated to remarket such Non-Liquidity Facility Remarketed Bonds and such Non-Liquidity Facility Remarketed Bonds bearing interest at a Stepped Rate shall remain subject to optional and mandatory redemption, mandatory tender for purchase, and Conversion as provided herein.

408. Tenders by Investment Companies. The Holder of any 2024 Series C Bond issued hereunder may, at its option, notify the Trustee in writing that it is an Investment Company, or is holding 2024 Series C Bonds on behalf of an Investment Company, and in such notice irrevocably elect to offer on the Purchase Date to have its 2024 Series C Bonds purchased on the

next date on which such 2024 Series C Bonds may be purchased pursuant to Section 401 hereof. Any such notice shall contain the information required under Section 401(b) hereof. Any notice delivered by an Investment Company with respect to its 2024 Series C Bonds shall be irrevocable with the same effect described in Section 401(b)(iii).

409. Tenders Subject to Authorized Denominations. Any other provision of this 2024 Series C Resolution to the contrary notwithstanding, no tender of any 2024 Series C Bond (or portion thereof) for purchase hereunder may result in a 2024 Series C Bond being outstanding in other than an Authorized Denomination after the date to which such tender pertains.

410. Moneys for Purchase Prices of 2024 Series C Bonds Held Solely for Such Purchase Price. Any other provision of this 2024 Series C Resolution to the contrary notwithstanding, all moneys received by the Trustee to be used to pay the purchase price of 2024 Series C Bonds tendered or deemed tendered under this Article IV shall be deposited by the Trustee in the Purchase Fund to be used solely for the payment of the purchase price of tendered 2024 Series C Bonds and shall not be invested or commingled with other funds held by the Trustee and shall not be deposited in the General Receipts Fund.

411. No Optional Tenders on Mandatory Tender Dates. Any other provision of this 2024 Series C Resolution to the contrary notwithstanding, 2024 Series C Bonds which are subject to mandatory tender for purchase pursuant to Section 403, 404 or 405 hereof shall not be subject to optional tender for purchase pursuant to Section 401 hereof.

412. Remarketing of Tendered 2024 Series C Bonds at Par. Any other provision of this 2024 Series C Resolution to the contrary notwithstanding, all 2024 Series C Bonds tendered for purchase pursuant to Section 401, 402, 403, 404 or 405 hereof may only be offered and sold by the Remarketing Agent at a price equal to the principal amount thereof plus accrued interest, if any, thereon.

413. Selection by Lot. Except as otherwise provided in Section 302(d) through (g), 303, 304 or 505 hereof, if less than all of the 2024 Series C Bonds of any one maturity are to be purchased or Converted pursuant to this 2024 Series C Resolution, the particular 2024 Series C to be tendered for purchase or Converted shall be selected by the Trustee by such method as the Trustee deems fair and appropriate for such partial tender or Conversion, including but not limited to the following method. The Trustee may assign to each 2024 Series C Bond Outstanding of the maturity to be purchased or Converted a distinctive number for each unit of the principal amount of such 2024 Series C Bond equal to the applicable Authorized Denomination of the 2024 Series C Bonds and shall select, using such method of selection as the Trustee shall deem fair and appropriate in its discretion, from the numbers of all such 2024 Series C Bonds then Outstanding as many numbers as, at the unit amount equal to the 2024 Series C Bonds for each number, shall equal the principal amount of such 2024 Series C Bonds to be purchased or Converted. The 2024 Series C Bonds to be purchased or Converted shall be the 2024 Series C Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of each such 2024 Series C Bond shall be purchased or Converted as shall equal the Authorized Denomination unit for which each number had been assigned to it and so selected. Unless the Authority shall have given direction to the contrary, if at the time of selection of 2024 Series C

Bonds for purchase or Conversion there is more than one Rate Period applicable to such 2024 Series C Bonds, such 2024 Series C Bonds shall be selected, using the foregoing procedures, on a reasonably proportionate basis from 2024 Series C Bonds in all then applicable Rate Periods. For the purposes of this Section 413, 2024 Series C Bonds which have theretofore been selected by lot for purchase or Conversion and 2024 Series C Bonds registered in the name of the Authority shall not be deemed Outstanding.

ARTICLE V REDEMPTION OF 2024 SERIES C BONDS

501. Redemption Requirements. The 2024 Series C Bonds shall be subject to mandatory redemption in part on June 1 and December 1 (provided, however, that if any 2024 Series C Bonds bear interest at a Flexible Rate and such June 1 or December 1 is not an Interest Payment Date, such Bonds shall be subject to mandatory redemption on the Interest Payment Date immediately following such June 1 or December 1) at a Redemption Price equal to the principal amount thereof, plus accrued interest to the date of redemption, in such years and such amounts as shall be approved by an Authorized Representative, which approval shall be evidenced by the Redemption Requirements set forth in the Purchase Contract executed by the Authority (subject to reduction as provided in the General Resolution and to adjustments, if any, set forth, in the Purchase Contract). Except as otherwise provided in the Purchase Contract, if 2024 Series C Bonds are in more than one Rate Period on the date that the 2024 Series C Bonds are subject to a Redemption Requirement, the Trustee shall select the 2024 Series C Bonds for such redemption on a pro rata basis for each Rate Period subject to appropriate adjustments for Authorized Denominations.

502. Optional Redemption. The 2024 Series C Bonds shall be subject to redemption at the option of the Authority from any moneys available therefor in whole or in part, as follows:

(a) 2024 Series C Bonds which bear interest during a Term Rate Period shall be subject to redemption in Authorized Denominations prior to maturity at the option of the Authority from any source of funds available to the Authority on (i) the day following the last day of any Term Rate Period, at a redemption price equal to the principal amount thereof, plus accrued and unpaid interest, if any, without premium, and (ii) any day, as designated by an Authorized Representative in a Pricing Notice relating to the current Term Rate Period, at a redemption price equal to the principal amount thereof, plus interest accrued and unpaid thereon, if any.

(b) 2024 Series C Bonds which bear interest during an Index Rate Period shall be subject to redemption in Authorized Denominations prior to maturity at the option of the Authority from any source of funds available to the Authority on (i) the day following the last day of any Index Rate Period, at a redemption price equal to the principal amount thereof, plus accrued and unpaid interest, if any, without premium, and (ii) any day as designated by an Authorized Representative in a Pricing Notice, Remarketing Agreement or Purchase Contract, as applicable, relating to the current Index Rate Period, at a redemption price equal to the principal amount thereof, plus interest accrued and unpaid thereon, if any.

(c) 2024 Series C Bonds which bear interest at Daily Rates or Weekly Rates may be called for redemption prior to maturity, at any time, in whole or in part, on any Business Day at a redemption price equal to the principal amount thereof, plus interest accrued and unpaid thereon to the redemption date.

(d) 2024 Series C Bonds which bear interest at Flexible Rates are subject to redemption by the Authority, in whole or in part, on the last day of the applicable Rate Period at a redemption price equal to the principal amount thereof plus any accrued interest thereon to the redemption date.

(e) 2024 Series C Bonds which bear interest at a Fixed Rate shall be subject to redemption prior to maturity at the option of the Authority on any date following the tenth (10th) anniversary of the Conversion Date relating to such 2024 Series C Bonds at a redemption price equal to 100% of the principal amount of such 2024 Series C Bonds to be redeemed, plus accrued interest to the redemption date, in whole or in part, from any source of funds available to the Authority.

The 2024 Series C Bonds to be redeemed pursuant to this Section 502 shall be selected from the eligible outstanding maturities of 2024 Series C Bonds on such basis as shall be determined by the Authority, subject to Section 505 hereof.

503. Special Redemption. (a) The 2024 Series C Bonds are redeemable, at any time in whole or in part, at the option of the Authority (except to the extent that the Authority is required to redeem 2024 Series C Bonds as set forth in subsection (b) or (d) below), at a Redemption Price equal to the principal amount plus accrued interest to the redemption date, in a principal amount not in excess of the total of (i) 2024 Series C Bond proceeds remaining uncommitted to the financing of Mortgage Loans or 2024 Series C Down Payment Assistance Loans; (ii) Principal Prepayments (including Principal Prepayments in respect of Mortgage Loans financed from other Series of Bonds issued under the General Resolution); (iii) 2024 Series C Down Payment Assistance Loan Principal Prepayments; and (iv) Revenues available for redemption pursuant to Section 403(e)(1) of the General Resolution.

(b) With respect to redemptions pursuant to subsection (a) above, the 2024 Series C Bonds to be redeemed shall be selected from the Outstanding maturities of the 2024 Series C Bonds on such basis as shall be determined by the Authority, except as may be otherwise designated in the Purchase Contract.

(c) The Authority may designate in the Purchase Contract one or more maturities of the 2024 Series C Bonds as Super Sinker Bonds. The Super Sinker Bonds, if any, shall be subject to mandatory redemption as provided in the Purchase Contract.

504. Mandatory Redemption of Bank Bonds. Bank Bonds shall be subject to mandatory redemption in such principal amounts and on such dates determined as provided in the Liquidity Facility or Reimbursement Agreement. The Authority shall be obligated to pay such amounts on such dates notwithstanding its inability to deliver a Cash Flow Statement as

required by Section 608 of the General Resolution; provided, however, that the payment of such amounts shall be from sources other than the Pledged Property.

505. Selection of 2024 Series C Bonds for Redemption. Notwithstanding any provisions of this 2024 Series C Resolution to the contrary, the Bank Bonds shall always be subject to redemption and shall be selected first for any redemption by the Trustee.

506. Notice of Redemption.

(a) At least thirty (30) days but no more than ninety (90) days before the redemption date of any 2024 Series C Bonds, the Trustee shall cause a notice of any redemption of 2024 Series C Bonds, either in whole or in part, to be sent by registered or certified mail or by overnight delivery, to the Securities Depository at least two (2) business days (a business day being a day when such Securities Depository is open for business) prior to the date of general mailing of any notice of redemption.

(b) In addition, a second duplicate notice in writing shall be mailed by certified mail, postage prepaid, return receipt requested, to any registered owner of 2024 Series C Bonds to be redeemed who has not presented and surrendered such 2024 Series C Bonds to the Trustee for redemption within thirty (30) days after the date of redemption.

(c) In addition to the requirements set forth in Section 302 of the General Resolution, a notice of any such redemption shall include the following information with respect to the 2024 Series C Bonds to be so redeemed: the complete title of the 2024 Series C Bonds, the CUSIP numbers of the 2024 Series C Bonds to be redeemed, the date of general mailing of such notice of redemption, the complete name of the Trustee including the telephone number for inquiries, the maturity date and the interest rate (if applicable) of the 2024 Series C Bonds.

(d) Failure to receive any such notices by any such registered owner shall not affect the validity of the proceedings for the redemption of the 2024 Series C Bonds.

ARTICLE VI REQUIREMENTS AND FUNDS

601. Debt Reserve Requirement. (a) The Debt Reserve Requirement with respect to the 2024 Series C Bonds is hereby determined to be an amount equal to four percent (4%) of the sum of (i) the outstanding principal balance of 2024 Series C Mortgage Loans and 2024 Series C Down Payment Assistance Loans allocated to the 2024 Series C Bonds, (ii) the amount on deposit in the 2024 Series C Bond Proceeds Fund and allocated to the purchase or financing of 2024 Series C Mortgage Loans, and (iii) the amount on deposit in the Down Payment Assistance Fund allocated to the 2024 Series C Bonds and the financing of 2024 Series C Down Payment Assistance Loans. The deposits to the Capital Reserve Fund made and to be made pursuant to this 2024 Series C Resolution will be in the form of cash and Investment Obligations which may be used for the purposes of the Capital Reserve Fund; provided however, that the Authority may in lieu of or in replacement of or in addition to all or a portion of the deposits to the Capital Reserve Fund, obtain and pledge to the Capital Reserve Fund Letter(s) of Credit and/or Surety Bond(s), which Letter(s) of

Credit or a portion thereof shall be exclusively available to be drawn on and which Surety Bond(s) or a portion thereof shall unconditionally and irrevocably guarantee payment for the purposes of the Capital Reserve Fund. Any moneys so replaced by Letter(s) of Credit and/or Surety Bond(s) or a portion thereof shall be withdrawn by the Trustee and deposited in the Bond Proceeds Fund. The amount of moneys on deposit in the Capital Reserve Fund, or the amount of Letter(s) of Credit pledged to and exclusively available to be drawn on or Surety Bond(s) pledged to unconditionally and irrevocably guarantee payment for the purposes of the Capital Reserve Fund which, when combined with any moneys on deposit therein, and any other Letter(s) of Credit pledged thereto and exclusively available to be drawn on or Surety Bond(s) which shall unconditionally and irrevocably guarantee payment for the purposes thereof, shall equal the Capital Reserve Fund Requirement.

(b) If at any time the Trustee is required by Section 407 of the General Resolution to transfer moneys from the Capital Reserve Fund to the Debt Service Fund, the Trustee shall make such transfer to the Debt Service Fund from any moneys which shall then be on deposit in the Capital Reserve Fund, and if the moneys in the Capital Reserve Fund are not sufficient to make up the deficiency in the Debt Service Fund, the Trustee shall make a draw under any Letter(s) of Credit or make a demand for payment under any Surety Bond(s) which may be pledged to the Capital Reserve Fund and deposit such proceeds to the Debt Service Fund to the extent of the deficiency in the Debt Service Fund.

602. The Loan Loss Fund.

(a) The repayment of the 2024 Series C Bonds shall be further secured by a pledge of the amounts on deposit in the Loan Loss Fund as created by the Loan Loss Fund Resolution. The 2024 Series C Resolution shall be deemed to be a Single-Family Bond Resolution for purposes of the Loan Loss Fund Resolution. The Loan Loss Fund Requirement with respect to the 2024 Series C Bonds shall be zero, and, accordingly, the Authority shall not be required to deposit any moneys into the Loan Loss Fund prior to the disbursement of proceeds from the Bond Proceeds Fund for the financing of a 2024 Series C Mortgage Loan.

(b) If at any time moneys in the General Receipts Fund are not sufficient to permit the transfer of moneys to the Debt Service Fund required by Section 403 of the General Resolution, the Trustee shall make up such a deficiency first, by the withdrawal and transfer to the Debt Service Fund of money from any amounts which shall then be on deposit in the Loan Loss Fund, and if the amount in the Loan Loss Fund is not sufficient to make up such deficiencies, and second by a draw under any Letter(s) of Credit or a demand for payment under any Surety Bond(s) which may be pledged to the Loan Loss Fund and the deposit of such proceeds to the Debt Service Fund. Furthermore, in the event there shall be on any date on which an interest or principal payment (including any Sinking Fund Requirement) shall be due, a deficiency in the amounts in the Debt Service Fund to be applied to the payment of liquidity fees, interest or principal or a Redemption Price of the Bonds pursuant to Section 404(a) or (b) of the General Resolution but prior to any transfer to the Debt Service Fund from the Redemption Fund pursuant to Section 405 of the General Resolution or the Capital Reserve Fund pursuant to Section 406 of the General Resolution, the Trustee first shall make up such a deficiency by the withdrawal of moneys from the Loan Loss Fund and the transfer thereof to the Debt Service Fund, and second, if required, by a draw under any

Letter(s) of Credit or a demand for payment under any Surety Bond(s) which may be pledged to the Loan Loss Fund and the transfer of such proceeds to the Debt Service Fund.

(c) Amounts on deposit in the Loan Loss Fund shall not be included in any calculation made in connection with any Cash Flow Statement or pursuant to Section 403(e)(3) of the General Resolution.

603. Deposits into Funds.

(a) The proceeds of the 2024 Series C Bonds shall be deposited into the Bond Proceeds Fund and shall be invested by the Trustee pursuant to instructions from the Authority only in Investment Obligations, which shall include, for purposes of this 2024 Series C Resolution, an investment agreement secured or unsecured as determined by an Authorized Representative of the Authority, guaranteed by an institution whose debt securities are rated at least the then existing rating on the Bonds (or the highest rating of short-term obligations if the investment is a short-term obligation) by each Rating Agency. Proceeds of the 2024 Series C Bonds in an amount sufficient to satisfy the Capital Reserve Fund Requirement relating to the 2024 Series C Bonds shall be promptly transferred by the Trustee to the Capital Reserve Fund. In the event that the Authority shall elect to obtain and pledge to the Capital Reserve Fund Letter(s) of Credit and/or Surety Bond(s) in an amount sufficient to satisfy all or a portion of the Capital Reserve Fund Requirement in lieu of or in replacement of or in addition to the deposits to the Capital Reserve Fund, any moneys so replaced provided by 2024 Series C Bond proceeds shall be promptly withdrawn by the Trustee and paid to the Authority for deposit in the Bond Proceeds Fund. Proceeds of the 2024 Series C Bonds in an amount not to exceed the limitation set forth in this Resolution, and as set forth in the Purchase Contract, shall be promptly transferred by the Trustee to the Down Payment Assistance Fund.

(b) All moneys representing accrued interest on the 2024 Series C Bonds, if any, shall be deposited to the credit of the General Receipts Fund (to be applied to the payment of interest on the 2024 Series C Bonds on the first applicable interest payment date).

604. Reserved.

605. Series Program Determinations. Each newly originated 2024 Series C Mortgage Loan shall have the following terms, conditions, provisions and limitations:

(a) The promissory note for each 2024 Series C Mortgage Loan must be payable or endorsed to the Authority, and such 2024 Series C Mortgage Loan must (i) be originated in the name of the Authority, (ii) be assigned to the Authority or (iii) be originated in the name of a nominee who shall register the Authority as the owner of a beneficial interest in such 2024 Series C Mortgage Loan and (iv) have a servicer that tracks servicing of such 2024 Series C Mortgage Loan pursuant to a written agreement with the Authority relating thereto;

(b) Each 2024 Series C Mortgage Loan (i) shall be for a term not exceeding thirty (30) years, after taking into account any modification to such loan that takes place prior to such loan becoming a 2024 Series C Mortgage Loan, (ii) shall have a fixed rate or rates of interest, after taking into account any modification to such loan that takes place prior to such loan becoming a

2024 Series C Mortgage Loan, and (iii) shall either have approximately equal monthly payments for each rate of interest borne by such 2024 Series C Mortgage Loan, or at the option of the Authority, shall have monthly payments that increase on a predetermined basis over the life of such 2024 Series C Mortgage Loan;

(c) Each 2024 Series C Mortgage Loan shall relate to a residence which shall be the principal residence of the mortgagor within a reasonable time after the closing of such 2024 Series C Mortgage Loan;

(d) Each 2024 Series C Mortgage Loan shall relate to a single-family residential structure or condominium unit;

(e) (1) Each 2024 Series C Mortgage Loan shall be insured under an insurance contract, or guaranteed under a guarantee agreement, requiring benefits to be paid to the Authority following default by the mortgagor in the payment of principal or interest on the 2024 Series C Mortgage Loan in an amount which, when combined with the down payment applicable to such 2024 Series C Mortgage Loan (irrespective of the source of funds therefor), is equal to an amount in excess of eighteen percent (18%) of the purchase price of the residence; provided, however, that any such insurance shall not be initially required or may be terminated when the principal balance of the 2024 Series C Mortgage Loan is eighty percent (80%) or less of the original purchase price of the residence; and

(2) If applicable law shall not permit the Authority, or if the Authority anticipates that applicable law will not permit it, to require a mortgagor under a 2024 Series C Mortgage Loan, or a person on behalf of such mortgagor, to pay for the mortgage insurance described in paragraph (1) of this subsection, then the Authority shall pay for such mortgage insurance from moneys available under the General Resolution or otherwise, except to the extent that:

(i) the Authority either:

(A) does not pay for such mortgage insurance from moneys available under the General Resolution or otherwise; or

(B) provides additional reserves, insurance, sureties or cash equivalents as security or makes other covenants regarding the 2024 Series C Bonds; and

(ii) the taking of the action described in clause (A) or (B) above, does not, by itself, or in combination with other factors, result in a reduction in the then-current unenhanced rating of the Bonds;

(f) The 2024 Series C Mortgage Loans may be: (i) conventional mortgage loans, (ii) insured by the Federal Housing Administration, (iii) guaranteed by the United States Department of Veterans' Affairs, or (iv) guaranteed by the Rural Housing Service of the United States Department of Agriculture;

(g) A 2024 Series C Mortgage Loan may be used for the purchase of a residence or both the purchase and rehabilitation of a residence; and

(h) The Authority shall not sell any 2024 Series C Mortgage Loans or 2024 Series C Down Payment Assistance Loans and use the proceeds of such sale to redeem 2024 Series C Bonds as provided in Section 503 hereof except for 2024 Series C Mortgage Loans or 2024 Series C Down Payment Assistance Loans (i) that are in default or (ii) that do not comply with the Authority's Program requirements.

606. Covenant as to Disposition of Principal Prepayments and 2024 Series C Down Payment Assistance Loan Principal Prepayments. Subject to the provisions of Section 403 of the General Resolution and Section 503 hereof, the Authority shall direct the Trustee to transfer Revenues in an amount equal to and representing (a) the Principal Prepayments derived from 2024 Series C Mortgage Loans from the General Receipts Fund to the Redemption Fund or the Bond Proceeds Fund, provided that any such Revenues deposited in the Bond Proceeds Fund must be transferred to the Redemption Fund within twelve (12) months of such deposit if not used for the purpose of financing Mortgage Loans within such one-year period and (b) the 2024 Series C Down Payment Assistance Loan Principal Prepayments from the General Receipts Fund to the Redemption Fund or the Down Payment Assistance Fund, provided that any such Revenues deposited in the Down Payment Assistance Fund must be transferred to the Redemption Fund within twelve (12) months of such deposit if not used for the purpose of financing 2024 Series C Down Payment Assistance Loans within such one-year period.

607. Down Payment Assistance Fund.

(a) Amounts on deposit in the Down Payment Assistance Fund shall be used as provided in this 2024 Series C Resolution with respect to moneys received by the Authority in connection with the issuance of the 2024 Series C Bonds.

(b) Amounts on deposit in the Down Payment Assistance Fund received by the Authority in connection with the issuance of the 2024 Series C Bonds, if any, and any additional amounts deposited by the Authority in the Down Payment Assistance Fund in respect of the 2024 Series C Bonds as hereinafter provided, if any, shall be used, upon Authority Request, to finance 2024 Series C Down Payment Assistance Loans. The Authority may, from time to time, direct that additional amounts be deposited in the Down Payment Assistance Fund in respect of the 2024 Series C Bonds from unrestricted Authority funds for the purpose of financing additional 2024 Series C Down Payment Assistance Loans. No amounts on deposit in the Down Payment Assistance Fund shall be used to finance Mortgage Loans. Each 2024 Series C Down Payment Assistance Loan shall have the following terms, conditions, provisions and limitations:

(i) Each 2024 Series C Down Payment Assistance Loan shall be made to provide down payment assistance only to a mortgagor who has received a Mortgage Loan;

(ii) Each 2024 Series C Down Payment Assistance Loan shall be evidenced by a promissory note and a mortgage document which has been properly recorded and constitutes a valid second lien on the property subject only to the mortgage securing the related Mortgage Loan and real property taxes or assessments not yet due;

(iii) The promissory note for each 2024 Series C Down Payment Assistance Loan must be payable or endorsed to the Authority and the 2024 Series C Down Payment Assistance Loan must be originated in the name of the Authority or be assigned to the Authority;

(iv) Each 2024 Series C Down Payment Assistance Loan shall be in a principal amount not to exceed Fifteen Thousand Dollars (\$15,000); and

(v) Each 2024 Series C Down Payment Assistance Loan shall be for a term not exceeding the term of the related Mortgage Loan, shall bear interest as determined by the Authority and shall be payable on the earliest of (A) the sale of the residence to which such 2024 Series C Down Payment Assistance Loan relates, (B) the maturity date thereof or (C) the date of payment in full of the related Mortgage Loan.

(c) Amounts on deposit in the Down Payment Assistance Fund may be transferred at any time, upon Authority Request, to the Bond Proceeds Fund.

(d) The Authority does hereby pledge, convey and assign the 2024 Series C Down Payment Assistance Loans as security for the payment of the Bonds and the interest and redemption premium, if any, thereon and for the equal and proportionate benefit and security from time to time, of the Owners of the Bonds without preference, priority or distinction as to lien or otherwise. Any 2024 Series C Down Payment Assistance Loans shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority, irrespective of whether such parties have notice thereof, and neither this 2024 Series C Resolution nor any instruments by which a pledge is created need be recorded. All moneys received by or on behalf of the Authority representing principal and interest payments on the 2024 Series C Down Payment Assistance Loans including all 2024 Series C Down Payment Assistance Loan Principal Prepayments representing the same shall constitute "Revenues" for purposes of the General Resolution and shall be deposited in the General Receipts Fund.

(e) Amounts on deposit in the Down Payment Assistance Fund in respect of the 2024 Series C Down Payment Assistance Loans shall be taken into account when preparing a Cash Flow Statement in accordance with Section 608 of the General Resolution. In addition to the requirements for filing a Cash Flow Statement set forth in Section 608 of the General Resolution, the Authority shall file with the Trustee a current Cash Flow Statement prior to transferring amounts to the Down Payment Assistance Fund to finance 2024 Series C Down Payment Assistance Loans in excess of the amounts contemplated in the last Cash Flow Statement to be so transferred, or prior to applying amounts previously transferred to the Down Payment Assistance Fund to finance 2024 Series C Down Payment Assistance Loans on terms materially different from those assumed in the last Cash Flow Statement. Upon filing a Cash Flow Statement with the Trustee, the Authority shall thereafter administer its program for making 2024 Series C Down Payment Assistance Loans in all material respects in accordance with the assumptions set forth in such Cash Flow Statement. Except as necessary to dispose of defaulted 2024 Series C Down Payment Assistance Loans or to comply with tax covenants or requirements of the Authority relating to its program for making 2024 Series C Down Payment Assistance Loans, if the Cash Flow Statement delivered in connection with any sale of 2024 Series C Down Payment Assistance Loans at a price below book

value does not project Revenues sufficient to pay Expenses and debt service on the Bonds when due in each bond year, an Authorized Representative must certify to the Trustee that the projected deficiency in each bond year is less than it would have been if all or a portion of the amounts transferred or used had been applied to the financing of 2024 Series C Down Payment Assistance Loans or invested in Investment Obligations on terms then available.

608. Purchase Fund. (a) There is hereby created and established for the 2024 Series C Bonds a Purchase Fund to be held by the Trustee. The Purchase Fund and the moneys on deposit therein, if any, shall not be deemed to be Pledged Property for purposes of the General Resolution and shall not be subject to the lien of the Trustee set forth in Section 804 of the General Resolution. Upon receipt of the proceeds of a remarketing or an advance under a Liquidity Facility to pay the purchase price of 2024 Series C Bonds during a Variable Rate Period or a Flexible Rate Period, if such remarketing proceeds are insufficient for the payment of the purchase price, the Trustee shall deposit such money in the Purchase Fund for application to the purchase price of 2024 Series C Bonds upon receipt of such 2024 Series C Bonds.

(b) On or after any Purchase Date, any funds remaining in the Purchase Fund after payment in full of the purchase price on all optionally or mandatorily tendered 2024 Series C Bonds on such date shall be transferred to the Liquidity Facility Provider, if any, but not in excess of the amount necessary to reimburse the Liquidity Facility Provider for the portion, if any, of the advance under a Liquidity Facility with respect to the purchase price of such 2024 Series C Bonds during a Variable Rate Period or a Flexible Rate Period on such date, and any excess after all such payments have been made shall be paid to the Authority.

(c) Amounts held by the Trustee to pay the purchase price of 2024 Series C Bonds shall be held for the account of the previous Holder of the remarketed 2024 Series C Bonds, including the Liquidity Facility Provider if such 2024 Series C Bonds are Bank Bonds that are remarketed. Such amounts shall not be invested and shall not be commingled with other funds held by the Trustee.

609. Credit Facility; Credit Facility Fund. (a) The Trustee shall hold and maintain the Credit Facility (if any) for the benefit of the Holders until such Credit Facility expires or terminates in accordance with its terms. Subject to the provisions of this Resolution, the Trustee shall enforce all terms, covenants and conditions of each Credit Facility, including payment when due of any draws on such Credit Facility, and the provisions relating to the payment of draws on, and reinstatement of amounts that may be drawn under, such Credit Facility, and will not consent to, agree to or permit any amendment or modification of such Credit Facility which would materially adversely affect the rights or security of the Holders. If at any time during the term of a Credit Facility any successor Trustee shall be appointed and qualified under this Resolution, the resigning or removed Trustee shall request that the Credit Provider transfer such Credit Facility to the successor Trustee. If the resigning or removed Trustee fails to make this request, the successor Trustee shall do so before accepting appointment. When a Credit Facility expires or terminates in accordance with its terms or is replaced by an Alternate Credit Facility, the Trustee shall immediately cancel and surrender such Credit Facility to the Credit Provider. All provisions herein relating to the rights of the Credit Provider shall be of no force and effect if (i) there is no Credit Facility or Alternate Credit Facility in effect, (ii) all amounts owing to the Credit Provider under the Reimbursement Agreement have been paid in full, and (iii) if the Credit Provider and the Liquidity

Facility Provider are the same entity, there are no Bank Bonds outstanding and all amounts owing to the Liquidity Facility Provider have been paid in full.

(b) While a Credit Facility is in effect with respect to any 2024 Series C Bonds, the Trustee shall, on the Business Day preceding each Interest Payment Date and Principal Payment Date, before 3:00 p.m., New York City time on such day, draw on the Credit Facility in accordance with the terms thereof so as to receive thereunder by 12:00 p.m. New York City on said Interest Payment Date and Principal Payment Date, an amount, in immediately available funds, equal to the amount of interest and principal payable on such 2024 Series C Bonds on such Interest Payment Date and Principal Payment Date. The proceeds of such draws shall be deposited in the Credit Facility Fund pursuant to Section 609(c) hereof and shall be applied to pay principal of and interest on the 2024 Series C Bonds prior to the application of any other funds held by the Trustee therefor. Notwithstanding the foregoing, if the Credit Provider and the Liquidity Facility Provider are the same entity, the Trustee shall not draw on the Credit Facility with respect to any payments due or made in connection with Bank Bonds. In no event shall the Trustee draw on the Credit Facility with respect to any payments made in connection with 2024 Series C Bonds not covered by the Credit Facility or 2024 Series C Bonds owned by, or on behalf of, the Authority.

(c) There is hereby created and established for the 2024 Series C Bonds a Credit Facility Fund to be held by the Trustee. The Trustee shall deposit in the Credit Facility Fund all moneys derived from a drawing under a Credit Facility for the purpose of paying the principal of and interest on 2024 Series C Bonds subject to such Credit Facility when due. Moneys held in the Credit Facility Fund shall be held separate and apart from all other funds and accounts and shall not be commingled with any other moneys, and shall only secure the 2024 Series C Bonds. Moneys in the Credit Facility Fund shall be withdrawn by the Trustee from the Credit Facility Fund and applied to the payment of the principal of and interest on 2024 Series C Bonds subject to such Credit Facility on each Principal Payment Date for such 2024 Series C Bonds (or other date upon which principal of such 2024 Series C Bonds is due) and Interest Payment Date for such 2024 Series C Bonds, provided that such moneys shall not be used to pay the principal of or interest on 2024 Series C Bonds not covered by the Credit Facility or 2024 Series C Bonds owned by, or on behalf of, the Authority.

ARTICLE VII FORMS, EXECUTION AND DELIVERY OF 2024 SERIES C BONDS

701. Forms of 2024 Series C Bonds. Subject to the provisions of the General Resolution, the form of the 2024 Series C Bonds and the Certificate of Authentication with respect thereto are hereby approved substantially in the form attached as Exhibit A necessary or appropriate variations, omissions and insertions as are incidental to their numbers, denominations, maturities, interest rate or rates, redemption provisions and other details thereof.

702. Execution and Delivery of 2024 Series C Bonds. (a) The 2024 Series C Bonds shall be executed in the name of the Authority by the facsimile signature of either its Chairperson or Chief Executive Officer and Executive Director and the corporate seal of the Authority (or a facsimile thereof) shall be impressed or imprinted thereon in accordance with the provisions of

Section 204 of the General Resolution. The 2024 Series C Bonds shall be authenticated by the manual signature of an authorized signer of the Trustee.

(b) The 2024 Series C Bonds shall be delivered by an Authorized Representative to the Underwriter in New York, New York, Lansing, Michigan, or any other location mutually agreeable to the Authority and the Underwriter, upon payment of the purchase price plus accrued interest, if any, on the 2024 Series C Bonds from the date thereof to the date of delivery in immediately available Federal Reserve Funds available to the Authority at the time or times and place or places of delivery.

(c) Initially, one fully-registered 2024 Series C Bond (a “2024 Series C Bond”) for each maturity of 2024 Series C Bonds, in the aggregate principal amount of such maturity, shall be issued in the name of Cede & Co., as nominee of DTC.

703. Global Form; Securities Depository.

(a) Except as otherwise provided in this Section, the 2024 Series C Bonds shall be in the form of the 2024 Series C Bond, shall be registered in the name of the Securities Depository or its nominee and ownership thereof shall be maintained in book entry form by the Securities Depository for the account of the Agent Members thereof. Except as provided in subsection (c) of this Section, 2024 Series C Bonds may be transferred, in whole but not in part, only to the Securities Depository or a nominee of the Securities Depository, or to a successor Securities Depository selected by the Authority, or to a nominee of such successor Securities Depository.

(b) The Authority and the Trustee shall have no responsibility or obligation with respect to:

(i) the accuracy of the records of the Securities Depository or any Agent Member with respect to any beneficial ownership interest in the 2024 Series C Bonds;

(ii) the delivery to any Agent Member, beneficial owner of the 2024 Series C Bonds or other person, other than the Securities Depository, of any notice with respect to the 2024 Series C Bonds;

(iii) the payment to any Agent Member, beneficial owner of the Bonds or other person, other than the Securities Depository of any amount with respect to the principal of, premium, if any, or interest on, the 2024 Series C Bonds;

(iv) any consent given by Cede & Co. as Bondholder of the 2024 Series C Bonds or any successor nominee of a Securities Depository as Bondholder of such Bonds; or

(v) the selection by the Securities Depository or any Agent Member of any beneficial owners to receive payment if any 2024 Series C Bonds are redeemed in part.

So long as the certificates for the 2024 Series C Bonds are not issued pursuant to subsection (c) of this Section, the Authority and the Trustee may treat the Securities Depository as, and deem

the Securities Depository to be, the absolute owner of such 2024 Series C Bonds for all purposes whatsoever, including without limitation:

- (1) the payment of principal, premium, if any, and interest on such 2024 Series C Bond;
- (2) giving notices of redemption and other matters with respect to such 2024 Series C Bond; and
- (3) registering transfers with respect to such 2024 Series C Bond.

(c) If at any time the Securities Depository notifies the Authority or the Trustee that it is unwilling or unable to continue as Securities Depository with respect to the 2024 Series C Bonds or if at any time the Securities Depository shall no longer be registered or in good standing under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation and a successor Securities Depository is not appointed by the Authority within ninety (90) days after the Authority or the Trustee receives notice or becomes aware of such condition, as the case may be, subsections (a) and (b) of this Section shall no longer be applicable and the Authority shall execute and the Trustee shall authenticate and deliver certificates representing the 2024 Series C Bonds as provided in subsection (d) below. In addition, the Authority may determine at any time that the 2024 Series C Bonds shall no longer be represented by global certificates and that the provisions of subsections (a) and (b) above shall no longer apply to the 2024 Series C Bonds. In any such event the Authority shall execute and the Trustee shall authenticate and deliver certificates representing the 2024 Series C Bonds as provided in subsection (d) below.

(d) Certificates for the 2024 Series C Bonds issued in exchange for global certificates shall be registered in such names and authorized denominations as the Securities Depository, pursuant to instructions from the Agent Members or otherwise, shall instruct the Authority and the Trustee. The Trustee shall deliver such certificates representing the 2024 Series C Bonds to the persons in whose names such 2024 Series C Bonds are so registered as soon as practicable.

704. Conflict With Representation Letter. Notwithstanding any other provision of this 2024 Series C Resolution to the contrary, so long as any 2024 Series C Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal or Redemption Price of and interest, if any, on such 2024 Series C Bond, and all notices with respect to such 2024 Series C Bond shall be made and given, respectively, to DTC as provided in the Representation Letter.

ARTICLE VIII
ADDITIONAL PROVISIONS RELATING TO LIQUIDITY FACILITIES AND CREDIT FACILITIES

801. Liquidity Facility.

(a) The Trustee shall draw moneys under a Liquidity Facility in accordance with the terms thereof to the extent necessary to make full and timely payments of the purchase price required to be made pursuant to, and in accordance with, Section 401(e) hereof.

(b) A Liquidity Facility shall be an obligation of the Liquidity Facility Provider to pay to the Trustee, upon satisfaction of the terms set forth in the Liquidity Facility and subject to reduction as provided in (d) below, the purchase price of Liquidity Facility Bonds tendered or deemed tendered and not remarketed by the Remarketing Agent on the date on which such Liquidity Facility Bonds are to be purchased equal to the principal amount thereof plus interest accrued, if any, on such 2024 Series C Bonds to such optional tender date or mandatory tender date.

(c) Upon termination or replacement of a Liquidity Facility as provided therein, the Trustee shall give notice thereof to S&P and the existing Liquidity Facility Provider and the Liquidity Facility shall be surrendered by the Trustee to the Liquidity Facility Provider for cancellation on the date of such termination.

(d) A Liquidity Facility Provider's obligation under a Liquidity Facility will be reduced to the extent of any drawing thereunder subject to reinstatement as provided therein. In no event will the Trustee be entitled to make drawings under a Liquidity Facility for the payment of the purchase price of Bank Bonds, Liquidity Facility Bonds owned by, or on behalf of, the Authority or 2024 Series C Bonds bearing interest at a Fixed Rate.

(e) If at any time there shall cease to be any Liquidity Facility Bonds Outstanding, the Trustee shall surrender the Liquidity Facility to the Liquidity Facility Provider, in accordance with the terms of the Liquidity Facility, for cancellation. The Trustee shall comply with the procedures set forth in the Liquidity Facility relating to the termination thereof.

(f) If at any time the Trustee resigns or is removed in accordance with the General Resolution, the Trustee shall cause a Liquidity Facility to be transferred to its successor in accordance with the terms thereof.

(g) To the extent that this 2024 Series C Resolution confers upon or gives or grants to a Liquidity Facility Provider any right, remedy or claim under or by reason of this 2024 Series C Resolution, the Liquidity Facility Provider is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.

802. Alternate Liquidity Facility. (a) The Authority may cancel or terminate a Liquidity Facility prior to its stated expiration or permit the expiration thereof in accordance with

its terms and provide an Alternate Liquidity Facility in the form of (i) a letter of credit or (ii) such other security or liquidity support as the Authority may elect to furnish, but only in accordance with the provisions of this Section 802. A Liquidity Facility or Alternate Liquidity Facility also may be cancelled, terminated or permitted to expire without any Alternate Liquidity Facility being thereafter provided to support payment of the purchase price of Liquidity Facility Bonds tendered for optional or mandatory tender hereunder, but only in accordance with the provisions of this Section 802 and Section 405. In the event a Liquidity Facility or Alternate Liquidity Facility then in effect is to be replaced, the Liquidity Facility or Alternate Liquidity Facility shall terminate in accordance with its terms.

(b) In the event that a Liquidity Facility or an Alternate Liquidity Facility will be replaced after expiration, termination or cancellation of an existing Liquidity Facility or an existing Alternate Liquidity Facility, upon receipt of notice from the Authority accompanied by a letter of each Rating Agency, if any, maintaining a rating on the Liquidity Facility Bonds referred to below together with any documentation and opinions referred to in any such letter, the Trustee shall give notice (prepared by the Authority) by first-class mail to the Holders of the Liquidity Facility Bonds not less than fifteen (15) days prior to the effective date of such change, stating as follows: (i) that the Liquidity Facility or the Alternate Liquidity Facility then in effect is to be changed, (ii) the effective date of such change, (iii) the form and substance of the Liquidity Facility or the Alternate Liquidity Facility then in effect, (iv) if applicable, that the Liquidity Facility Bonds are subject to mandatory tender for purchase pursuant to Section 404 hereof and the date for such mandatory tender, (v) the form and substance of the Alternate Liquidity Facility to be in effect on the effective date specified in (ii) above, and (vi) that such change will or will not, as the case may be, result in a reduction or withdrawal of the rating, if any, of the 2024 Series C Bonds then in place.

(c) In the event that a Liquidity Facility or an Alternate Liquidity Facility will not be replaced after expiration, termination or cancellation of an existing Liquidity Facility or an existing Alternate Liquidity Facility, upon receipt of notice from the Authority accompanied by the opinion of Bond Counsel referred to in subsection (d) below, the Trustee shall give notice (prepared by the Authority) by first-class mail to the Holders of the Liquidity Facility Bonds, with a copy to the Liquidity Facility Provider, not less than fifteen (15) days prior to the effective date of such change if the Liquidity Facility Bonds then bear interest at a Variable Rate, stating as follows: (i) that the Liquidity Facility or the Alternate Liquidity Facility then in effect will expire or be terminated, (ii) the effective date of such expiration or termination, (iii) that a substitute Alternate Liquidity Facility will not be provided, and (iv) that the Liquidity Facility Bonds are subject to mandatory tender for purchase pursuant to Sections 404 and 405 hereof, and the date for such mandatory tender.

(d) Any provisions of this 2024 Series C Resolution to the contrary notwithstanding, no change with respect to a Liquidity Facility or any Alternate Liquidity Facility (except the expiration thereof in accordance with its terms) shall become effective unless there is delivered to the Trustee (i) an opinion of Bond Counsel stating that such change is authorized or permitted by the terms of this 2024 Series C Resolution and that such change will not require the registration of any security under the Securities Act of 1933, as amended, or the qualification of any indenture under the Trust Indenture Act of 1939, as amended, (ii) in the case of an Alternate

Liquidity Facility, an opinion of counsel for the provider of the Alternate Liquidity Facility in substantially the form delivered to the Trustee upon the issuance of the Liquidity Facility, and (iii) in the case of a change under this Section 802, a letter from each Rating Agency, if any, then maintaining a rating on the 2024 Series C Bonds to the effect that such change will or will not, as the case may be, result in a reduction or withdrawal of the rating of the 2024 Series C Bonds then in place.

(e) Any other provisions of this 2024 Series C Resolution to the contrary notwithstanding, each Alternate Liquidity Facility delivered to the Trustee in accordance with this Section 802 must be in substantially the form of the Initial Liquidity Facility, if any, or one or more of the standby bond purchase agreements previously entered into by the Authority in connection with the execution and delivery of a prior Series of Bonds, and must be for a term of at least one (1) year after the effective date of such Alternate Liquidity Facility (or until the stated maturity date of the 2024 Series C Bonds, if earlier).

803. Credit Facility.

(a) A Credit Facility will be an irrevocable direct pay letter of credit of the Credit Provider providing for direct payments to or upon the order of the Trustee of amounts up to (1) the principal of the 2024 Series C Bonds when due on any Principal Payment Date; and (2) interest on the 2024 Series C Bonds when due on any Interest Payment Date up to the Interest Coverage Requirement.

(b) Upon termination or replacement of a Credit Facility as provided therein, the Trustee shall give notice thereof to S&P and the existing Credit Provider and the Credit Facility shall be surrendered by the Trustee to the Credit Provider for cancellation on the date of such termination.

(c) A Credit Provider's obligation under a Credit Facility will be reduced to the extent of any drawing thereunder subject to reinstatement as provided therein. In no event will the Trustee be entitled to make drawings under a Credit Facility for the payment of the purchase price of Bank Bonds, 2024 Series C Bonds owned by, or on behalf of, the Authority or 2024 Series C Bonds bearing interest at a Fixed Rate.

(d) If at any time there shall cease to be any 2024 Series C Bonds Outstanding, the Trustee shall surrender the Credit Facility to the Credit Provider, in accordance with the terms of the Credit Facility, for cancellation. The Trustee shall comply with the procedures set forth in the Credit Facility relating to the termination thereof.

(e) If at any time the Trustee resigns or is removed in accordance with the General Resolution, the Trustee shall cause the Credit Facility to be transferred to its successor in accordance with the terms thereof.

(f) To the extent that this 2024 Series C Resolution confers upon or gives or grants to the Credit Provider any right, remedy or claim under or by reason of this 2024 Series C Resolution, the Credit Provider is hereby explicitly recognized as being a third-party beneficiary

hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.

(g) To the extent that principal and/or interest due on the 2024 Series C Bonds has been paid by the Credit Provider pursuant to the Credit Facility for which the Credit Provider has not been reimbursed under the Reimbursement Agreement, then:

(A) such 2024 Series C Bonds shall remain Outstanding for all purposes under the General Resolution, not be defeased or otherwise satisfied and not be considered paid by the Authority and the pledge of the Pledged Property under the General Resolution and all covenants, agreements and other obligations of the Authority to the Bondholders of 2024 Series C Bonds shall continue to exist and shall run to the benefit of the Credit Provider; and

(B) the Credit Provider shall be subrogated to the extent of such draws on the Credit Facility or the Authority's indebtedness owing to the Credit Provider pursuant to the terms of the Reimbursement Agreement to all rights of the Holders of 2024 Series C Bonds to enforce the payment of the 2024 Series C Bonds from the Revenues and all other rights of the Bondholders of 2024 Series C Bonds under the 2024 Series C Bonds, this 2024 Series C Resolution and the General Resolution.

804. Alternate Credit Facility. (a) The Authority may cancel or terminate a Credit Facility prior to its stated expiration or permit the expiration thereof in accordance with its terms and provide an Alternate Credit Facility in the form of a direct pay letter of credit, but only in accordance with the provisions of this Section 804. A Credit Facility also may be cancelled, terminated or permitted to expire without any Alternate Credit Facility being thereafter provided.

(b) The Authority may elect to replace any Credit Facility with an Alternate Credit Facility conforming to the requirements of Section 803. The Authority shall provide written notice to the Trustee (a copy of which shall be delivered to the Credit Provider providing the current Credit Facility) not less than 30 days prior to such delivery (or such shorter period as shall be acceptable to the Trustee but not less than 15 days) of the Authority's intention to provide for delivery of such Alternate Credit Facility and the anticipated date of such delivery.

Upon receipt of such notice, the Trustee shall take all actions necessary to subject the 2024 Series C Bonds to mandatory tender as described in Section 404(a) hereof on the proposed effective date of such Alternate Credit Facility. The Trustee shall give notice (prepared by the Authority) by first-class mail to the Holders of the 2024 Series C Bonds not less than fifteen (15) days prior to the effective date of delivery of the Alternate Credit Facility, stating that the 2024 Series C Bonds are subject to mandatory tender for purchase pursuant to Section 404(a) hereof due to the delivery of such Alternate Credit Facility and the date for such mandatory tender. Any Alternate Credit Facility delivered to the Trustee must be accompanied by (1) an opinion of Counsel to the issuer of such Alternate Credit Facility stating that such Alternate Credit Facility is a legal, valid, binding and enforceable obligation of such issuer in accordance with its terms, (2) an opinion of Bond Counsel referred to in subsection (d) below that delivery of the Alternate Credit Facility is authorized under this Resolution and complies with its terms; and (3) a letter of each Rating Agency, if any, maintaining a rating on the

2024 Series C Bonds evidencing the rating of the 2024 Series C Bonds to be effective upon the delivery of such Alternate Credit Facility.

(c) In the event that a Credit Facility will not be replaced after expiration, termination or cancellation of such Credit Facility, upon receipt of notice from the Authority accompanied by the opinion of Bond Counsel, the Trustee shall give notice (prepared by the Authority) by first-class mail to the Holders of the 2024 Series C Bonds then supported by the Credit Facility, with a copy to the Credit Provider, not less than fifteen (15) days prior to the effective date of such change if the 2024 Series C Bonds bear interest at a Variable Rate, stating as follows: (i) that the Credit Facility then in effect will expire or be terminated, (ii) the effective date of such expiration or termination, (iii) that a substitute Alternate Credit Facility will not be provided, and (iv) that the 2024 Series C Bonds are subject to mandatory tender for purchase pursuant to Sections 404 and 405 hereof, and the date for such mandatory tender.

(d) Any provisions of this 2024 Series C Resolution to the contrary notwithstanding, no amendment to a Credit Facility (except amendments to extend the Expiration Date) shall become effective unless there is delivered to the Trustee (i) an opinion of Bond Counsel stating that such change is authorized or permitted by the terms of this 2024 Series C Resolution and that such change will not adversely affect the validity of the 2024 Series C Bonds or require the registration of any security under the Securities Act of 1933, as amended, or the qualification of any indenture under the Trust Indenture Act of 1939, as amended, and (ii) a letter from each Rating Agency, if any, then maintaining a rating on the 2024 Series C Bonds to the effect that such amendment will or will not, as the case may be, result in a reduction or withdrawal of the rating of the 2024 Series C Bonds then in place.

Any other provisions of this 2024 Series C Resolution to the contrary notwithstanding, each Alternate Credit Facility delivered to the Trustee in accordance with this Section 804 (i) must be in the form of a direct pay letter of credit entered into by the Authority in connection with any prior Series of Bonds and (ii) must be for a term of at least one (1) year after the effective date of such Alternate Credit Facility (or until the stated maturity date of the 2024 Series C Bonds, if earlier).

ARTICLE IX AGENTS OF THE AUTHORITY

901. Remarketing Agent; Remarketing Agreement.

(a) On the Closing Date, the Authority shall enter into a Remarketing Agreement with Barclays Capital Inc. or such other remarketing agent selected by an Authorized Representative, who is hereby appointed as the initial Remarketing Agent. The Remarketing Agreement shall terminate on the Fixed Rate Conversion Date after which there are no longer any 2024 Series C Bonds Outstanding bearing interest at a Variable Rate or a Flexible Rate. The Remarketing Agent, including any successor appointed pursuant hereto, shall (i) be a member of the National Association of Securities Dealers, Inc. having capitalization of at least \$25,000,000, (ii) meet the requirements with respect to a qualified Remarketing Agent as may be set forth in the applicable Liquidity Facility, if any, and (iii) be authorized by law to perform all the duties imposed upon it by this 2024 Series C Resolution and the Remarketing Agreement. The

Remarketing Agent may at any time resign and be discharged of the duties and obligations created by this 2024 Series C Resolution and the Remarketing Agreement by giving at least thirty (30) days' notice to the Authority, the Trustee and the Liquidity Facility Provider, if any. The Remarketing Agent may be removed at any time by the Authority by an instrument signed by the Authority and filed with the Remarketing Agent and the Liquidity Facility Provider, if any, upon at least thirty (30) days' notice; provided, however, that, prior to the Fixed Rate Conversion Date for such 2024 Series C Bonds after which there are no longer any 2024 Series C Bonds Outstanding bearing interest at a Variable Rate or Flexible Rate, an agreement in substantially the form of the Remarketing Agreement shall be entered into with a successor Remarketing Agent.

(b) In the event that, prior to the Fixed Rate Conversion Date after which there are no longer any 2024 Series C Bonds Outstanding bearing interest at a Variable Rate or Flexible Rate, the Remarketing Agent shall resign or be removed or dissolved, or if the property or affairs of the Remarketing Agent shall be taken under the control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason, the Authority shall use its best efforts to appoint a successor as Remarketing Agent. Any such appointment by the Authority shall be with the consent of the Liquidity Facility Provider if any Liquidity Facility Bonds are then Outstanding. If the Authority shall not have appointed a successor as Remarketing Agent, the Trustee shall ipso facto be deemed to be the Remarketing Agent for the sole purpose of determining Variable Rates by reference to the Maximum Rate as provided in this 2024 Series C Resolution until the appointment by the Authority of the Remarketing Agent or successor Remarketing Agent, as the case may be.

(c) The Remarketing Agreement substantially in the form presented to this meeting is hereby approved and any Authorized Representative is authorized to execute and deliver the Remarketing Agreement for and on behalf of the Authority with such changes, omissions, insertions and revisions as such Authorized Representative shall deem advisable or appropriate. Any Authorized Representative is hereby authorized to obtain any amendment to the Remarketing Agreement or any subsequent Remarketing Agreement in respect of 2024 Series C Bonds bearing interest at Variable Rates or Flexible Rates and to execute and deliver the same. The annual fees to be paid in respect of any Remarketing Agreement shall not exceed 0.20% of the Outstanding 2024 Series C Bonds bearing interest at Variable Rates or Flexible Rates.

ARTICLE X MISCELLANEOUS

1001. Ratification of Actions. The actions of any Authorized Representative heretofore taken pursuant to the provisions of the General Resolution including, but not limited to: the publishing of notice and the conducting of a hearing with respect to the issuance of the 2024 Series C Bonds, the making of presentations to security rating agencies, the undertaking of discussions and negotiations with underwriters or groups of underwriters or purchasers regarding offers to purchase the 2024 Series C Bonds, be, and they hereby are, ratified and confirmed in all respects.

1002. Authorization of Actions. (a) Any Authorized Representative is hereby authorized and directed to execute such other documents and certifications, and to perform such other acts as

may be necessary or convenient for the proper sale, execution and delivery of the 2024 Series C Bonds subject to, and as may be required by the Purchase Contract, the General Resolution and this 2024 Series C Resolution.

(b) Any Authorized Representative is hereby authorized to pay from the General Operating Fund all funds necessary to pay the costs of issuance, including, if applicable, the Underwriter's fee and placement fee, Liquidity Provider fee, Remarketing Agent fee of the 2024 Series C Bonds, to the extent not paid from the proceeds of the 2024 Series C Bonds, and to make the deposit of moneys, or obtain Letter(s) of Credit and/or Surety Bond(s), or an increase in the amount of existing Letter(s) of Credit and/or Surety Bond(s), as provided by Section 503 hereof.

(c) Any Authorized Representative is hereby authorized to pay from the General Operating Fund all amounts necessary to comply with Section 604(b).

(d) Any Authorized Representative is hereby authorized to select a Credit Provider or Liquidity Facility Provider, to acquire a Credit Facility or a Liquidity Facility, as applicable, and to negotiate and execute a Liquidity Facility or Credit Facility and any related Fee Agreement, substantially in the forms presented at a meeting of the Authority, each of which is hereby approved with such changes in such document as may be necessary or desirable, permitted by the Act and otherwise by law, and are not materially adverse to the Authority.

1003. Authorization of Procurement of Letter(s) of Credit and/or Surety Bond(s) and Execution of Reimbursement Agreement and/or Guaranty Agreement; Notice to the Trustee.

Any Authorized Representative hereby is authorized to obtain Letter(s) of Credit and/or Surety Bond(s), to obtain an increase in the amount of existing Letter(s) of Credit and/or Surety Bonds or to obtain a replacement for existing Letter(s) of Credit and/or Surety Bond(s) for application in lieu of the deposit of moneys to the Capital Reserve Fund as specifically authorized in this 2024 Series C Resolution. In connection with the procurement of the foregoing Letter(s) of Credit and/or Surety Bond(s) or the increase in the amount of existing Letter(s) of Credit and/or Surety Bond(s), the Authorized Representative is authorized, if necessary, to negotiate and execute a reimbursement agreement, or, if necessary, an amendment to any existing reimbursement agreement, with a banking institution, or a guaranty agreement, or, if necessary, an amendment to an existing guaranty agreement, with an insurance company, as appropriate. The annual fees (in addition to any expense reimbursements) paid to the banking institution for the procurement of Letter(s) of Credit shall not exceed one-half of one percent (0.5%) of the cumulative amount of the Letter(s) of Credit, the fee to be paid by the Authority for any Surety Bond(s) shall not exceed two percent (2%) of the Surety Bond Coverage relating thereto. The Authority shall give the Trustee sixty (60) days' written notice prior to the expiration of any Letter(s) of Credit obtained pursuant to this 2024 Series C Resolution.

1004. Preliminary Official Statement. The form of the Preliminary Official Statement of the Authority with respect to the sale of the 2024 Series C Bonds, substantially in the form presented to this meeting, is hereby approved and the distribution thereof is hereby authorized, with such changes, omissions, insertions and revisions as an Authorized Representative shall deem advisable or appropriate. The delivery of a certificate relating to the Preliminary Official Statement for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, is also approved.

1005. Final Official Statement. The form of the Preliminary Official Statement of the Authority is hereby authorized and approved as the final Official Statement of the Authority, with such changes, omissions, insertions and revisions as an Authorized Representative shall deem advisable or appropriate. Any Authorized Representative is hereby authorized to execute such final Official Statement and deliver it to the Underwriter on behalf of the Authority.

1006. Reserved.

1007. Trustee Not Responsible for Official Statement. The recitals, statements and representations contained in the Preliminary Official Statement and the Official Statement shall be taken and construed as made by and on the part of the Authority and not by the Trustee, and the Trustee assumes and shall be under no responsibility for the correctness of the same.

1008. Continuing Disclosure. The 2024 Series C Bonds are hereby made subject to the Second Master Continuing Disclosure Undertaking – Single-Family Mortgage Revenue Bonds, dated as of April 1, 2019, and the Authority agrees to abide by the provisions thereof so long as any of the 2024 Series C Bonds are Outstanding.

1009. Notices to Rating Agency. The Authority hereby covenants and agrees that it will send written notice to S&P at 55 Water Street, 38th Floor, New York, New York 10041 and to Moody's at 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, of the occurrence of any of the following events with respect to the 2024 Series C Bonds:

- (a) any acceleration of payment of the principal of and interest on the 2024 Series C Bonds;
- (b) any amendments to this 2024 Series C Resolution or the General Resolution;
- (c) any successor to the Trustee under the General Resolution; and
- (d) any defeasance or redemption in whole of the 2024 Series C Bonds.

1010. Effective Date. This 2024 Series C Resolution shall take effect immediately. If the 2024 Series C Bonds are not delivered to the Underwriter on or before April 30, 2024, the authority granted by this 2024 Series C Resolution shall lapse.

Exhibit A

Form of 2024 Series C Bond

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Authority or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
SINGLE-FAMILY MORTGAGE REVENUE BOND, 2024 SERIES C
(FEDERALLY TAXABLE)

Maturity <u>Date</u>	Date of Original <u>Issue</u>	<u>CUSIP</u>
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REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT: _____

The Michigan State Housing Development Authority (the “Authority”), a public body corporate and politic, organized and existing under and by virtue of the laws of the State of Michigan, acknowledges itself indebted to, and for value received, hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above, on the Maturity Date specified above, unless redeemed prior thereto as hereinafter provided, upon the presentation and surrender hereof at the principal corporate trust office of U.S. Bank Trust Company, National Association in St. Paul, Minnesota (the “Trustee”), as Trustee under the Resolution of the Authority adopted December 17, 1987, authorizing the issuance of Michigan State Housing Development Authority Single-Family Mortgage Revenue Bonds, as amended and supplemented (the “General Resolution”), or its successor as Trustee, and to pay to the registered owner, by check or draft mailed to the registered owner shown on the registration books of the Trustee as of the close of business on the Record Date at the registered address, interest on such Principal Amount from the Date of Original Issue specified above or such later date to which interest has been paid, until paid at the rates and on the dates determined as described herein and in

the 2024 Series C Resolution (as hereinafter defined); provided, however, payment of interest on any Interest Payment Date shall be paid (i) while this Bond bears interest at a Variable Rate or a Fixed Rate, in immediately available funds, or (ii) if this Bond bears interest at a Flexible Rate, in immediately available funds upon presentation and surrender of this Bond to the Trustee, by wire transfer to a bank within the continental United States or direct deposit to a designated account that is maintained with the Trustee pursuant to directions given by the Registered Owner to the Trustee on or prior to the Interest Payment Date; provided, further, that the principal or redemption price of this Bond is payable upon surrender of this Bond to the Trustee by the Registered Owner hereof as shown on the registration books of the Trustee on the date of payment in immediately available funds. If requested by the Registered Owner of this Bond while it bears interest at a Variable Rate, payment of principal, premium, if any, and interest on this Bond shall be transmitted by wire transfer within the continental United States or deposited to a designated account if such account is maintained with the Trustee, if such Registered Owner shall have provided wire transfer instructions to the Trustee prior to the Interest Payment Date. The principal or Redemption Price (as defined in the General Resolution) of this Bond is payable upon presentation in any coin or currency of the United States of America which, on the respective dates of payment, shall be legal tender for the payment of public and private debts.

THE STATE OF MICHIGAN IS NOT LIABLE ON THIS 2024 SERIES C BOND AND THIS 2024 SERIES C BOND IS NOT A DEBT OF THE STATE OF MICHIGAN. THE AUTHORITY HAS NO TAXING POWER.

Capitalized terms used herein and not otherwise defined shall have the meaning assigned such term in the 2024 Series C Resolution.

Subject to any agreements now or hereafter made with the owners of any other notes or bonds of the Authority pledging any particular receipts or revenues, this 2024 Series C Bond is a general obligation of the Authority and the full faith and credit of the Authority are hereby pledged for the payment of the principal or Redemption Price of and interest on this 2024 Series C Bond. This 2024 Series C Bond is one of a duly authorized issue of Bonds of the Authority designated “Single-Family Mortgage Revenue Bonds (Federally Taxable)” (the “Bonds”), issued and to be issued in various series under and pursuant to Act No. 346 of the Public Acts of 1966 of the State of Michigan, as amended (herein called the “Act”), and under and pursuant to the General Resolution and a series resolution authorizing the issuance and sale of each such series. As provided in the General Resolution, the Bonds may be issued from time to time in one or more series, in various principal amounts, may mature at different times, may bear interest, if any, at different rates and, subject to the provisions thereof, may otherwise vary. The aggregate principal amount of Bonds which may be issued under the General Resolution is not limited except as provided in the General Resolution, and all Bonds issued and to be issued under the General Resolution are and will be equally secured by the pledges and covenants made therein, except as otherwise expressly provided or permitted in the General Resolution.

This 2024 Series C Bond is one of a series of Bonds designated “Single-Family Mortgage Revenue Bonds, 2024 Series C (Federally Taxable)” (the “2024 Series C Bonds”) issued in the initial aggregate principal amount of _____ Dollars (\$_____) under the General Resolution and the Series Resolution Authorizing the Issuance

and Sale of Single-Family Mortgage Revenue Bonds, 2024 Series C in an Amount not to Exceed \$50,000,000, adopted on February 15, 2024 (the “2024 Series C Resolution”) (the General Resolution and the 2024 Series C Resolution are collectively herein called the “Resolutions”). The proceeds of the 2024 Series C Bonds will be utilized by the Authority as provided in the Resolutions. The 2024 Series C Bonds will be secured by a pledge of the Pledged Property (as defined in the General Resolution) which includes the mortgage repayments required to be paid on the mortgage loans financed with the proceeds of the 2024 Series C Bonds, the Down Payment Assistance Fund established under the Authority’s Series Resolution Authorizing the Issuance and Sale of its Single-Family Mortgage Revenue Bonds, 2003 Series B adopted on November 19, 2003 (the “2003 Series B Resolution”) and the repayments required to be paid on the down payment assistance loans financed with the proceeds of the 2024 Series C Bonds and will be further secured by the Loan Loss Fund established under the Authority’s Resolution Establishing Single-Family Loan Loss Fund adopted on July 8, 1988, as supplemented (the “Loan Loss Fund Resolution”). Copies of the Resolutions, the 2003 Series B Resolution and the Loan Loss Fund Resolution are on file in the office of the Authority and at the corporate trust office of the Trustee, and reference to the Resolutions, the 2003 Series B Resolution and the Loan Loss Fund Resolution and any and all supplements thereto and modifications and amendments thereof and to the Act are made for a description of the pledges and covenants securing the 2024 Series C Bonds, the nature, extent and manner of enforcement of such pledges, the rights and remedies of the registered owners of the 2024 Series C Bonds with respect thereto and the terms and conditions upon which the 2024 Series C Bonds are issued and may be issued thereunder. To the extent and in the manner permitted by the terms of the Resolutions, the 2003 Series B Resolution and the Loan Loss Fund Resolution, the provisions of the Resolutions, the 2003 Series B Resolution and the Loan Loss Fund Resolution or any resolution amendatory thereof or supplemental thereto, may be modified or amended.

This 2024 Series C Bond is transferable, as provided in the Resolutions, only upon the books of the Authority kept for that purpose at the corporate trust office of the Trustee by the registered owner hereof in person, or by an attorney duly authorized in writing, upon the surrender of this 2024 Series C Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his attorney duly authorized in writing, and thereupon a new registered 2024 Series C Bond or 2024 Series C Bonds, and in the same aggregate principal amount and of the same maturity, shall be issued to the transferee in exchange therefor as provided in the Resolutions, and upon the payment of the charges, if any, therein prescribed.

In the manner provided in the 2024 Series C Resolution, the term of each 2024 Series C Bond will be divided into consecutive Rate Periods during each of which such 2024 Series C Bond shall bear interest at a Variable Rate, Flexible Rate or the Fixed Rate. On the date of issuance the 2024 Series C Bonds shall bear interest at the Weekly Rate. The Rate Period of the 2024 Series C Bond may be Converted to a different Rate Period at the election of the Authority in the manner provided in the 2024 Series C Resolution. Information regarding the interest rates borne by the 2024 Series C Bonds and Conversions to a different Rate Period will be furnished or made available to Registered Owners of the 2024 Series C Bonds in the manner provided in the 2024 Series C Resolution.

Unless otherwise provided for in the purchase contract for the 2024 Series C Bonds, interest shall be computed, in the case of a Fixed Rate Period or Term Rate Period on the basis of a 360-day

year consisting of twelve 30-day months, in the case of an Index Rate Period during which the Index Rate Index is a function of Term SOFR, on the basis of a 360-day year for the actual days elapsed, and in the case of any other Rate Period, on the basis of a 365 or 366-day year, as appropriate, and the actual number of days elapsed. Except as otherwise provided in the 2024 Series C Resolution, if the 2024 Series C Bonds bear interest at a Variable Rate or the Flexible Rate, the Remarketing Agent shall determine the appropriate Variable Rate or Flexible Rate on the 2024 Series C Bonds during each such Rate Period in accordance with the provisions of the 2024 Series C Resolution.

The term “Interest Payment Date” means (a) when used with respect to 2024 Series C Bonds bearing interest at an Index Rate, (i) the first Business Day of each calendar month to which interest at such rate has accrued if the Index Rate Index is the SIFMA Index or based upon Term SOFR for one-month, (ii) each June 1 and December 1 or each March 1, June 1, September 1 and December 1, if the Index Rate Index is based upon Term SOFR for three-months as determined by the Authority in the Purchase Contract or a certificate delivered upon an Index Rate Conversion Date, or (iii) each June 1 and December 1, if the Index Rate Index is based upon Term SOFR for six-months; (b) when used with respect to 2024 Series C Bonds bearing interest at a Daily Rate, a Weekly Rate or a Term Rate, each June 1 and December 1 and each mandatory tender date; (c) when used with respect to 2024 Series C Bonds bearing interest at a Fixed Rate, each June 1 and December 1 which is at least 120 days following a Fixed Rate Conversion Date; (d) when used with respect to any particular 2024 Series C Bond bearing interest at a Flexible Rate, the last day of each Flexible Rate Period applicable thereto (and each June 1 and December 1 during a Flexible Rate Period which is longer than 270 days in duration); (e) when used with respect to Bank Bonds, the first Business Day of each month and any other date specified in the Liquidity Facility or Reimbursement Agreement, as applicable; (f) each Conversion Date; and (g) when used with respect to any 2024 Series C Bond, its stated maturity date or the date on which it is earlier paid.

Except as otherwise set forth in the 2024 Series C Resolution, the 2024 Series C Bonds shall be deliverable in the form of registered bonds without coupons in the denominations of (i) during a Variable Rate Period, \$100,000 and any integral multiple of \$5,000 in excess of \$100,000, (ii) during a Flexible Rate Period, \$100,000 and any integral multiple of \$1,000 in excess of \$100,000, and (iii) during a Term Rate Period or on and after the Fixed Rate Conversion Date, \$5,000 or integral multiples thereof.

Under certain circumstances and at the times and in the manner provided in the 2024 Series C Resolution, the Registered Owners of the 2024 Series C Bonds bearing interest at a Variable Rate may elect to tender 2024 Series C Bonds or portions thereof for purchase; provided, however, that no 2024 Series C Bonds or portions thereof bearing interest at a Fixed Rate may be tendered for purchase at the election of the Registered Owners after the Fixed Rate Conversion Date for such 2024 Series C Bonds. Under certain circumstances, and in the manner provided in the 2024 Series C Resolution, the 2024 Series C Bonds will be subject to mandatory tender for purchase on the dates described in the 2024 Series C Resolution. The Trustee shall cause notice of certain mandatory tenders to be mailed to the Registered Owners in accordance with the provisions of the 2024 Series C Resolution. 2024 Series C Bonds as to which the Registered Owners have given notice of optional tender in the manner provided in the 2024 Series C Resolution, or 2024 Series C

Bonds subject to mandatory tender, will be deemed to be tendered on the Purchase Date with the effect provided in the 2024 Series C Resolution, and thereafter the Registered Owners thereof will be entitled only to receive the purchase price therefor.

Any 2024 Series C Bond held by or on behalf of a Liquidity Facility Provider as a result of the purchase of such 2024 Series C Bond with proceeds from a draw on the Liquidity Facility shall bear interest at the Bank Rate as provided in the 2024 Series C Resolution. Principal of and interest on Bank Bonds shall be payable to the holder thereof by wire transfer in immediately available funds at the times and in the amounts determined in accordance with the 2024 Series C Resolution.

The 2024 Series C Bonds are subject to redemption prior to maturity as provided in the 2024 Series C Resolution. Notice of any such redemption shall be given to the registered owners of any 2024 Series C Bonds or portions thereof to be redeemed as provided in the 2024 Series C Resolution.

This 2024 Series C Bond shall not be valid or become obligatory for any purpose until the Trustee's Certificate of Authentication hereon shall have been executed by the Trustee.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution and statutes of the State of Michigan and the Resolutions to exist, to have happened and to have been performed precedent to and in the issuance of this 2024 Series C Bond, exist, have happened and have been performed in due time, form and manner as required by law, and that the issue of the 2024 Series C Bonds, together with all other indebtedness of the Authority is within every debt and other limit prescribed by law.

IN WITNESS WHEREOF, the Authority has caused this 2024 Series C Bond to be executed in its name by the facsimile signature of its Chairperson and its corporate seal (or a facsimile thereof) to be impressed or imprinted hereon, all as of the Date of Original Issue as set forth above.

MICHIGAN STATE HOUSING DEVELOPMENT
AUTHORITY

(Seal)

By _____
Its: Chief Executive Officer
and Executive Director

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the 2024 Series C Bonds described in the within-mentioned 2024 Series C Resolution.

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, Trustee

By _____
Authorized Representative

Date of Authentication:

[End of 2024 Series C Bond Form]



MSHDA

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

M E M O R A N D U M

TO: Authority Members
FROM: Amy Hovey, Chief Executive Officer and Executive Director
DATE: February 15, 2024
RE: Birch Park, Development No. 44c-205 (the "Development")

RECOMMENDATION:

I recommend that the Michigan State Housing Development Authority (the "Authority") 1) adopt a resolution authorizing the issuance of a loan (the "Loan") with respect to the project described in the attached report; and 2) adopt a resolution authorizing the issuance of notes or bonds, the proceeds of which will finance the Loan.

PROJECT SUMMARY:

MSHDA No.:	44c-205
Development Name:	Birch Park
Development Location:	City of Saginaw, Saginaw County
Eligible Distressed Area:	Yes
Sponsor:	Ginosko Development Company and L + M Development Partners
Borrower:	Birch Park Preservation II Limited Dividend Housing Association, LLC
Number of Units:	120 Family Units
Number of Accessible Units:	11 accessible units
Construction Method:	Acquisition and Rehabilitation
Financing Program:	Limited Obligation Multifamily Housing Revenue Bonds issued under Section 44c
Total Development Cost:	\$20,606,761
Aggregate Basis:	\$18,776,917
Total Loan Amount:	\$9,756,000 (52% of aggregate basis)
Credit Enhancement for Gap Note:	Cash Collateral from Borrower's equity investor and/or equity bridge loan proceeds Cinnaire Lending
Credit Enhancement for Real Estate Note:	Standby Credit Enhancement Agreement issued by Freddie Mac under Freddie Mac's TEL (Immediate) Program

EXECUTIVE SUMMARY:

The Ginosko Development Company and L + M Development Partners LLC (together, the "Sponsor") propose to acquire and rehabilitate the Development, which consists of 120 affordable, LIHTC housing units located in the City of Saginaw, Saginaw County, Michigan. The Development will be acquired and rehabilitated using a construction and permanent loan financed with the proceeds of notes pursuant to Section 44c of the Authority's enabling act. The Development, as proposed, meets the requirements of Section 44c, and repayment of the notes will be reasonably secure, based on (1) a Standby Credit Enhancement Agreement issued under Freddie Mac's TEL (Immediate) Program in the amount of the permanent loan, and (2) cash collateral provided by the Borrower's equity investor and/or equity bridge loan proceeds from Cinnaire Lending Corporation, to cover the difference between the construction loan and the permanent loan amounts. The cash collateral will be invested in Aaa- or AAA-rated U.S. government-backed money market funds or other top tier investments and will be held by the fiscal agent for the notes.

The Authority will issue two series of notes — "Gap Note" and "Real Estate Note." Two sets of bond documents will be used for the respective Gap and Real Estate Notes.

The Gap Note will cover the difference between the principal amount of the Real Estate Note and the amount of tax-exempt volume cap required to satisfy the fifty percent (50%) test. The Gap Notes will be credit enhanced with cash collateral from the Borrower's equity investor and/or an equity bridge loan from Cinnaire Lending. The Gap Notes will be paid off after construction completion and when the development is placed in service (18-24 months).

The Real Estate Notes will be issued at closing and remain outstanding during the permanent loan term. The Real Estate Notes will be credit enhanced by a Standby Credit Enhancement Agreement under Freddie Mac's TEL (Immediate) Program.

Birch Park is located within Region G of the Statewide Housing Plan Regional Housing Partnerships, and this development supports the following goals of the Region G Action Plan:

- Goal 3.2, increasing access to stable and affordable housing options for households with extremely low incomes;
- Goal 4.4, increasing the rehabilitation and/or preservation of housing stock;
- Goal 4.5, increasing environmental sustainability, energy efficiency, and weatherization in housing rehabilitation and/or preservation; and
- Goal 6.3, increasing the quality of rental housing.

I am recommending Board approval for the following reasons:

- The Sponsor's application satisfies the requirements for the issuance of a commitment resolution under Section 44c of the Authority's Act and the Amended and Restated Pass-Through Program Statement adopted July 20, 2023.
- 120 units of family housing will be rehabilitated in the City of Saginaw.
- The repayment of the Authority's limited obligation notes will be reasonably secure based on the proposed collateral.

ADVANCING THE AUTHORITY'S MISSION:

- Approving a commitment resolution will allow this proposal to incur costs necessary for acquiring and rehabilitating the Development.

- All of the units will be reserved for tenants at sixty percent (60%) of Area Median Income. Of those units, ten percent (10%) of the units (12 units) must be targeted to households whose income are at or below forty percent (40%) of Area Median Income.
- Additional details are provided on page 2 of the Staff Report.
- The Development receives Section 8 subsidy on 120 units and the subsidy will be preserved and extended for twenty (20) years for this new financing.

MUNICIPAL SUPPORT:

- The City of Saginaw supports the development and has granted a tax exemption and payment in lieu of taxes under the Act.

COMMUNITY ENGAGEMENT/IMPACT:

- It is anticipated that the construction or rehabilitation of the Development will create 18 temporary construction-related jobs.
- The community was invited to engage in a virtual public hearing (TEFRA Hearing) regarding the bond funding.
- Tenants were invited to participate in a Preconstruction meeting where they were informed of the project, had their questions answered and were able to provide their input to the anticipated renovations, including voicing concerns about their current apartments, the need for different project amenities, and other operational challenges which could be addressed during the rehabilitation.

RESIDENT IMPACT:

- The tenants will benefit from a comprehensive rehabilitation of the Development.
- Immediate and long-term capital needs of the Development will be addressed.
- Interior and exterior improvements will include, but not be limited to, new flooring, energy-efficient appliances, water heaters, upgraded HVAC systems, air sealing and plumbing fixtures, and exterior doors and roof replacements. Common area improvements will include upgraded playground equipment, enhanced security features, and creation of a new community room for resident events and gatherings, parking lot repairs, and landscaping improvements.
- If it becomes necessary, moving assistance will be provided to affected residents when an appropriate temporary unit is identified, and when rehabilitation of a unit appropriate for the family is completed.
- Lodging and meals for daily displaced residents will be coordinated by the site staff and the cost of such lodging and meals will be paid from the development budget. Rehabilitation of the remaining unit types will be started and completed on the same day.
- Tenants choosing to spend the day at the property will be directed to a hospitality area where beverages and snacks will be available. Food coupons will be provided for meals if the displacement lasts for more than four hours.
- The Sponsor's architect will confirm that the Development is ADA-compliant after rehabilitation.

ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:

Birch Park is one of five developments submitted by Ginosko Development Company and L + M Development Partners LLC for financing under the Authority's Pass-Through Program.



**AMENDED AND RESTATED PASS-THROUGH BOND PROGRAM
MORTGAGE LOAN COMMITMENT RESOLUTION STAFF REPORT**

February 15, 2024

RECOMMENDATION:

Adopt a resolution authorizing the issuance of a mortgage loan commitment with respect to the project described in this report.

ISSUES, POLICY CONSIDERATIONS AND RELATED ACTIONS:

Birch Park is one of five developments submitted by Ginosko Development Company and L + M Development Partners LLC for financing under the Authority's Pass-Through Program.

MSHDA No.: 44c-205
Development Name: Birch Park
Development Location: City of Saginaw, Saginaw County
Eligible Distressed Area: Yes
Sponsor: Ginosko Development Company
Borrower: Birch Park Preservation II Limited Dividend Housing Association, LLC
Number of Units: 120 Family Units
Number of Accessible Units: 11 accessible units

Construction Method: Acquisition and Rehabilitation
Financing Program: Limited Obligation Multifamily Housing Revenue Bonds issued under Section 44c
Total Development Cost: \$20,606,761 (estimated)
Aggregate Basis: \$18,776,917
Total Loan Amount: \$9,756,000 (52% of aggregate basis)
Credit Enhancement for Gap Notes: Cash Collateral from the Borrower's equity investor and/or equity bridge loan proceeds from Cinnaire Lending Corporation

Credit Enhancement for Real Estate Notes: Standby Credit Enhancement Agreement issued by Freddie Mac under Freddie Mac's TEL (Immediate) Program

The material contained in this staff report is submitted to the Authority for information purposes only. The Authority does not underwrite Pass-Through Bond loans. To the extent that any information contained herein conflicts with the documents relating to the sale of the Authority's notes ("Notes") and the making of the loan, the latter documents shall control.

PROGRAM DESCRIPTION:

Section 44c of Public Act 346 of 1966, as amended (the "Act"), authorizes the Authority to issue notes and bonds that are not general obligations of the Authority and are not backed by the moral obligation of the State. The notes or bonds are "limited obligations" of the Authority with the security limited to the assets of the borrower, the project itself, and the credit enhancement and cash collateral arranged by the Borrower. These are generally referred to as "Pass Through" notes or bonds.

On July 20, 2023, the Authority re-authorized the Amended and Restated Pass-Through Bond Program, increasing the maximum allocation to \$300 million in tax-exempt bond volume cap. This program imposes rent and income targeting requirements of either 40% at 60% of area median income or 20% at 50% of area median income and limits the volume cap allocation available per project and per sponsor. In addition, at least 10% of the project's units must be more deeply targeted to households whose income is at or below 40% of area median income. It also requires limited market and environmental reviews.

PROPOSAL SUMMARY:

The Borrower proposes to acquire and rehabilitate 120 family apartment units including two units set aside as employee units on a site located at 3000 Birch Park Drive in Saginaw, Michigan (the "Development"). All of the apartment units in the Development will be targeted to households with incomes at or below 60% of area median income, utilizing the new MTSP income limits. At least ten percent (10%) of the units (12 units) must be more deeply targeted to households with incomes at or below 40% of area median income, using the MTSP limits. 120 units receive project-based Section 8 rental subsidy from the U.S. Department of Housing and Urban Development ("HUD") under a contract that will be renewed for twenty years in anticipation of the refinancing.

Authority staff has received and reviewed a commitment for the proposed credit enhancement and has determined that, if the proposed credit enhancements are delivered as set forth in the commitment, repayment of the Authority's Notes will be reasonably secure.

CONDITIONS:

1. **Income Limits:**

The Borrower must enter into a Regulatory Agreement with the Authority requiring that all of the units in the Development must be rented or available for rental by tenants whose income does not exceed the 60% income limit for Multifamily Tax Subsidy Projects as determined by HUD with respect to projects financed pursuant to Section 142(d) of the Internal Revenue Code of 1986, as amended (the "Code"), as further amended by the

Housing and Economic Recovery Act of 2008 (P.L. 110-289) ("MTSP Limits"), adjusted for family size. Of those units, 12 units in the Development must be rented or available for rental by tenants whose income does not exceed the 40% MTSP Limit, adjusted for family size. These occupancy restrictions shall be contained in a covenant running with the land and shall remain in effect for the period that the Authority Notes to be issued to finance the acquisition and construction or rehabilitation of the Development remain outstanding, but in no event for less than the period of time required by the terms of the Low Income Housing Tax Credit ("LIHTC") Regulatory Agreement or the period required by Section 142(d) of the Code.

The income of the individuals and the area gross median income shall be determined by the Secretary of the Treasury in a manner consistent with determinations of lower income families and area median gross income under Section 8 of the U.S. Housing Act of 1937, including adjustments for family size. Until the Secretary of Treasury publishes its requirements, income of individuals shall be determined in accordance with the Section 8 regulations.

2. **Limitations on Rental Rates:**

The Regulatory Agreement must also require that the monthly Total Housing Expense (contract rent plus tenant-paid utilities) on all of the units in the Development may not exceed 30% of 1/12 of the 60% MTSP Limit, assuming occupancy by one and one-half persons per bedroom. In addition, the Total Housing Expense for at least 10% or 12 units in the Development may not exceed 30% of 1/12 of the 40% MTSP Limit, assuming occupancy by one and one-half persons per bedroom. These limitations on rental rates shall be contained in a covenant running with the land and shall remain in effect for the period that the Authority Notes remain outstanding, but in no event for less than the period of time required by the terms of the LIHTC Regulatory Agreement, known as the Extended Use Period (the "EUP"). For purposes of determining whether or not the rents paid by the tenants of the Development are within the required limits set forth in this Section 2, the amount of any Section 8 rental subsidy paid on behalf of a tenant with respect to any unit shall not be considered as rent paid by the tenant.

3. **Covenant Running with the Land:**

The Borrower must subject the Development site to a covenant running with the land so as to preserve the tax-exempt status of the Notes. This covenant will provide that each unit must be rented or available for rental on a continuous basis to members of the general public for a period ending on the latest of the date which is 15 years after 50% of the residential units in the project are occupied, the first day on which no Notes are outstanding with respect to the project, or the date on which assistance provided to the project under Section 8 of the U.S. Housing Act of 1937 terminates (the "Qualified Project Period"). Additionally, during the Qualified Project Period, the minimum set-aside requirements of the Code must be maintained, namely, at least 40% of the units in the Development must be occupied or held available for occupancy by individuals whose income is lower than the MTSP Limits 60% income limit, adjusted for family size. The income of individuals and area median income shall be determined by the Secretary of the Treasury in a manner consistent with determinations of lower income families and area

median income under Section 8 of the U.S. Housing Act of 1937, including adjustments for family size. Until the Secretary of the Treasury publishes its requirements, income of the individuals shall be determined in accordance with Section 8 regulations.

4. **Limitation on Return on Equity:**

The Borrower must agree that its return on equity will be limited to 12% for the first 12-month period following substantial completion of the Development, with annual 1% increases thereafter, and to submit an annual financial statement evidencing its eligibility for return no later than 90 days after the close of the Borrower's fiscal year. The Borrower's return is fully cumulative. The amount of the Borrower's equity will be determined by the Authority.

5. **Note and Tax Credit Requirements:**

At the closing, the Borrower must enter into a Project Loan Agreement- TEL (Immediate) and a Project Loan Agreement (Gap Loan). A Standby Credit Enhancement Agreement issued by Freddie Mac under Freddie Mac's TEL (Immediate) will credit enhance the real estate note and cash collateral from Borrower's equity investor and/or equity bridge loan proceeds Comerica Bank will credit enhance the Gap note which cash collateral will be deposited with the fiscal agent for the Gap Note and shall be held and invested by the fiscal agent in accordance with the Gap Funding Loan Agreement. The Borrower must certify in writing to the sources and uses involved in the financing of the Development and must also provide the Authority with an opinion of tax counsel, a Useful Life Certificate prepared by Borrower's accountants, and/or other evidence, as determined by the Authority's Director of Legal Affairs, that respectively confirm that the structure of the transaction will permit the Borrower to claim the LIHTC 4% credit.

6. **Loan Agreements; Indemnification; Compliance Monitoring and Reporting Requirements:**

In the Loan Agreements, the Borrower must agree to indemnify the Authority for any loss, damage, liability, claim, or expense which it incurs as a result of the financing, construction, ownership, or operation of the Development, or from the violation of any environmental laws. The Borrower must also agree to provide the Authority on or before September 1 of each year with a report in a form acceptable to the Authority, including such information as is required by Section 44c of the Act. The Borrower must also agree to participate in compliance monitoring activities relative to the Notes and the tax credits allocated to the Development, as required by the Authority's Compliance Monitoring staff, and to pay an annual compliance monitoring fee not to exceed 0.25% of the outstanding principal amount of the Notes. The form and substance of the Loan Agreement must be acceptable to the Authority's Director of Legal Affairs.

7. **Closing and Organizational Documents:**

Prior to closing, the Borrower must submit all of the documents relating to the sale of the limited obligation Notes and the making of the Loan, including title and survey matters, and its organizational documents. All documents must be in compliance with the

Authority's Act and acceptable to the Michigan Attorney General, the Authority's Bond counsel and the Authority's Director of Legal Affairs.

8. **Equal Employment Opportunity:**

At Bond closing, the Borrower and the general contractor must include the Authority's form Appendix to Construction Contract with the Construction Contract that is acceptable to the Authority's Director of Legal Affairs.

9. **LIHTC Regulatory Agreement:**

Following the Placed in Service Date, the Borrower must enter into an LIHTC Regulatory Agreement in a form required by the Authority.

DEVELOPMENT TEAM AND PROJECT INFORMATION:

Sponsor and Borrower:

1. **Sponsor 1:** Ginosko Development Company
41800 W. Eleven Mile Road, Suite 209
Novi, Michigan 48375
Contact: Amin Irving
Phone: (248) 513-4900
- Sponsor 2:** L + M Development Partners LLC
1865 Palmer Ave., Floor 2
Larchmont, NY 10538
Contact: Jeffrey Moelis
Phone: (212) 233-0495, ext. 109
2. **Borrower:** Birch Park Preservation II Limited Dividend Housing Association, LLC

Credit Enhancement:

The sponsor proposes a Standby Credit Enhancement Agreement issued by Freddie Mac under Freddie Mac's TEL Immediate Program and cash collateral from equity bridge loan proceeds.

Initial Funding Lender: CPC Mortgage Company, LLC

Bond Counsel: Hawkins Delafield & Wood LLP (*John Renken*)

Fiscal Agent: Huntington National Bank

Credit Enhancement Provider: Federal Home Loan Mortgage Corporation (Freddie Mac) (*TBD*) and Cinnaire Lending Corporation (*TBD*)

Other Members of the Development Team:

Equity Partner:	Cinnaire (<i>Ben Stehouwer</i>)
Borrower's Counsel:	Honigman, LLP (<i>Steven Rypma</i>)
Borrower's Accountant:	Maner Costerisan (<i>Keith Pfeifle</i>)
Contractor:	Paragon Construction Company (<i>Kyle Weaver</i>)
Property Management:	KMG Prestige (<i>Paul Spencer</i>)
Architect:	Hooker DeJong Architects (<i>David Layman</i>)

Sources and Uses of Funds:

Freddie Mac TEL Immediate	\$6,995,000
Income from Operations	\$708,851
Gap Financing	\$2,064,000
Seller's Note (Reserves)	\$1,646,000
Seller's Note (Acquisition)	\$1,477,565
LIHTC Equity	\$6,826,913
Deferred Developer Fee	\$888,702
Total Sources of Funds	\$20,606,761
Acquisition	\$12,700,000
Site Work	\$199,948
Construction/Rehabilitation	\$2,607,228
Professional Fees	\$302,800
Interim Construction Costs	\$1,440,412
Reserves	\$858,783
Syndication Costs	\$81,563
Permanent Financing Costs	\$346,963
Other	\$265,506
Developer Fee	\$1,803,558
Total Uses of Funds	\$20,606,761

Mortgage Loan Commitment Staff Report
#44c-205, Birch Park
City of Saginaw, Saginaw County
February 15, 2024

APPROVALS:

Jeffrey J Sykes 2-7-24

Jeffrey Sykes, Chief Financial Officer Date

Chad A. Benson 2/8/2024

Chad Benson, Director of Development Date

Clarence L. Stone, Jr. 2/7/2024

Clarence L. Stone, Jr., Director of Legal Affairs Date

Amy Hovey 02/08/2024

Amy Hovey, Chief Executive Officer and Executive Director Date

DRAFT

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY RESOLUTION
AUTHORIZING DELIVERY OF
MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
MULTIFAMILY HOUSING REVENUE NOTES OR BONDS RELATING TO
BIRCH PARK
TO FINANCE A LOAN OR LOANS TO
BIRCH PARK PRESERVATION II LIMITED DIVIDEND HOUSING ASSOCIATION, LLC,
SO AS TO ENABLE THE BORROWER TO ACQUIRE, REHABILITATE AND EQUIP
A CERTAIN MULTIFAMILY RENTAL HOUSING FACILITY,
AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN PRIMARY
FINANCING DOCUMENTS AND GAP FINANCING DOCUMENTS, AND
DETERMINING AND AUTHORIZING OTHER MATTERS RELATIVE THERETO

February 15, 2024

WHEREAS, the Michigan State Housing Development Authority (the “Authority”) is authorized by Act 346, Michigan Public Acts, 1966, as amended (the “Act”), to issue notes and bonds for the purpose of making loans to limited dividend housing associations (as defined in the Act) to provide long-term financing for multifamily housing projects (as defined in the Act); and

WHEREAS, Birch Park Preservation II Limited Dividend Housing Association, LLC, a limited liability company duly organized and validly existing under the laws of the State of Michigan (the “Borrower”), is a limited dividend housing association (as defined in the Act); and

WHEREAS, the Borrower has applied to the Authority for one or more loans in a maximum amount of \$9,756,000 to finance the costs of acquiring, rehabilitating and equipping a certain multifamily housing development, known as Birch Park, located in the City of Saginaw, Saginaw County, Michigan (the “Project”); and

WHEREAS, the Authority proposes to issue one or more Multifamily Housing Revenue Notes dated the date of delivery (the “Governmental Notes”), in an aggregate principal amount not to exceed \$9,756,000 pursuant to this Resolution, the Funding Loan Agreement – TEL (Immediate), dated as of March 1, 2024 (the “TEL Funding Loan Agreement”), among the Authority, CPC Mortgage Company LLC (the “Initial TEL Funding Lender”) and The Huntington National Bank (the “Fiscal Agent”), and the Funding Loan Agreement (Gap Loan), dated as of March 1, 2024 (the “Gap Funding Loan Agreement”), among the Authority, CPC Mortgage Company LLC (the “Gap Funding Lender”) and the Fiscal Agent, to obtain funds to lend to the Borrower, pursuant to a Project Loan Agreement – TEL (Immediate), dated as of March 1, 2024 (the “TEL Project Loan Agreement”), among the Authority, the Fiscal Agent and the Borrower, and a Project Loan Agreement (Gap Loan), dated as of March 1, 2024 (the “Gap Project Loan Agreement”), among the Authority, the Fiscal Agent and the Borrower, collectively, to finance the costs of acquiring, rehabilitating and equipping the Project, as evidenced by one or more project notes dated the date of delivery (the “Project Notes”) from the Borrower to the Authority, and assigned by the Authority to the Fiscal Agent; and

WHEREAS, the Federal Home Loan Mortgage Corporation, a shareholder-owned government-sponsored enterprise (“Freddie Mac”) has agreed to provide a standby credit enhancement agreement dated as of the date of delivery (the “Standby Credit Enhancement Agreement”) to the Fiscal Agent, which will serve as a credit enhancement for the loan made pursuant to the TEL Project Loan Agreement; and

WHEREAS, Cinnaire Lending Corporation has agreed to provide an equity bridge loan to the Borrower, the proceeds of which, in addition to other equity funds, as required, shall provide financing for the Project and credit enhancement for the Governmental Note delivered pursuant to the Gap Funding Loan Agreement (the “Gap Funding Loan Credit Enhancement”); and

WHEREAS, prior to the delivery of the Governmental Note relating to the TEL Funding Loan Agreement, Freddie Mac, will deliver a commitment to the Initial TEL Funding Lender, whereby Freddie Mac agrees to purchase the related loan upon satisfaction of the conditions set forth in the aforementioned commitment with the Initial TEL Funding Lender; and

WHEREAS, prior to the delivery of the Governmental Note relating to the Gap Funding Loan Agreement, Freddie Mac will deliver a commitment to the Gap Funding Lender, whereby Freddie Mac agrees to purchase the related loan upon satisfaction of the conditions set forth in the aforementioned commitment with the Gap Funding Lender; and

WHEREAS, the Authority has determined that making the loan or loans requested by the Borrower and delivering the Governmental Notes, as hereinafter provided, will promote and serve the intended purposes of, and in all respects will conform to the provisions and requirements of, the Act and the rules of the Authority; and

WHEREAS, pursuant to Section 27(l) of the Act, the Authority proposes to delegate to the Chief Executive Officer and Executive Director, the Chief Financial Officer, the Deputy Director of Finance, the Director of Legal Affairs, the Deputy Director of Legal Affairs, the Chairperson or the Vice Chairperson of the Authority or any person duly authorized to act in such capacity (each hereinafter individually referred to as an “Authorized Officer”) the power to determine certain terms and conditions of the Governmental Notes, subject to the limitations established herein.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority, as follows:

SECTION 1. Delivery of the Governmental Note; Limited Obligation. For the purpose of making the loan or loans requested by the Borrower and thereby assisting in the financing of the acquisition, rehabilitation, and equipping of the Project, the delivery of the Governmental Notes in an aggregate principal amount not to exceed \$9,756,000 is authorized.

The Governmental Notes shall be substantially as set forth in the TEL Funding Loan Agreement and Gap Funding Loan Agreement, respectively; shall be dated the date of delivery; and shall bear interest from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from their dated date.

The Governmental Notes shall be delivered pursuant to this Resolution and the TEL Funding Loan Agreement and Gap Funding Loan Agreement, respectively, in substantially the

forms on file with the Executive Director, with such changes as may be acceptable to an Authorized Officer of the Authority.

The Governmental Notes and the interest obligation thereon shall never constitute a debt or general obligation of the State of Michigan or the Authority within the meaning of any constitutional or statutory provision or limitation, and shall never constitute nor give rise to a charge against the general credit or taxing powers of the State of Michigan or the general funds or assets of the Authority (including funds relating to other Authority loans or activities) but shall be limited obligations, and not general obligations, of the Authority payable solely from those certain revenues derived from the TEL Project Loan Agreement and Gap Project Loan Agreement, respectively, the Project Notes and otherwise as provided in the TEL Funding Loan Agreement or Gap Funding Loan Agreement. The Authority hereby approves the Standby Credit Enhancement Agreement and Gap Funding Loan Credit Enhancement and determines that repayment of the Governmental Notes will be reasonably secure.

SECTION 2. Application of Proceeds of the Governmental Notes. Immediately upon the receipt thereof, the proceeds of the Governmental Notes shall be deposited in the applicable funds and accounts created pursuant to the TEL Funding Loan Agreement and Gap Funding Loan Agreement, respectively, as provided therein.

SECTION 3. No Capital Reserve Requirement. The Governmental Notes shall not be secured by the capital reserve capital account of the Authority.

SECTION 4. Form of the Governmental Notes. The form of the Governmental Notes shall be substantially in the form attached to the TEL Funding Loan Agreement and Gap Funding Loan Agreement, respectively, with such appropriate changes, omissions and insertions as are permitted or required by such agreement or by subsequent action of an Authorized Officer.

SECTION 5. Execution of the Governmental Notes. The Governmental Notes shall bear the manual or facsimile signature of the Chairperson or Chief Executive Officer and Executive Director of the Authority, shall have the official seal of the Authority (or a facsimile thereof) impressed or imprinted thereon, and shall be authenticated by the manual signature of an authorized signer of the Fiscal Agent.

SECTION 6. Approval of the Regulatory Agreement. The form of one or more Regulatory Agreement, dated as of March 1, 2024 (the "Regulatory Agreement"), between the Authority and the Borrower, on file with the Chief Executive Officer and Executive Director and on which the date of adoption of this Resolution has been endorsed, with such changes as may be necessary or desirable, permitted by the Act or otherwise by law, and as any Authorized Officer deems are not materially adverse to the Authority, is hereby approved.

SECTION 7. Approval of TEL Funding Loan Agreement, TEL Project Loan Agreement, Gap Funding Loan Agreement and Gap Project Loan Agreement. The form of the TEL Funding Loan Agreement, the form of the TEL Project Loan Agreement, the form of the Gap Funding Loan Agreement and the form of the Gap Project Loan Agreement, on file with the Executive Director and on which the date of adoption of this Resolution has been endorsed, with such changes as may

be necessary or desirable, permitted by the Act or otherwise by law, and as any Authorized Officer deems are not materially adverse to the Authority, are hereby approved.

SECTION 8. Approval of the Project Notes. The forms of the Project Notes by the Borrower in favor of the Authority, on file with the Executive Director and on which the date of adoption of this Resolution has been endorsed, with such changes as may be necessary or desirable, permitted by the Act or otherwise by law, and as any Authorized Officer deems are not materially adverse to the Authority, are hereby approved.

SECTION 9. Execution and/or Delivery of the TEL Funding Loan Agreement, the TEL Project Loan Agreement, the Gap Funding Loan Agreement, the Gap Project Loan Agreement, the Project Notes and the Regulatory Agreement and Changes Therein. Each Authorized Officer is severally authorized to execute, seal in his or her discretion, deliver, and/or accept delivery, as appropriate, of the TEL Funding Loan Agreement, the TEL Project Loan Agreement, the Gap Funding Loan Agreement, the Gap Project Loan Agreement, the Project Notes (and the endorsement thereof) and the Regulatory Agreement in substantially the forms approved, with such changes as may be necessary or desirable, permitted by the Act or otherwise by law, and as any Authorized Officer deems are not materially adverse to the Authority.

SECTION 10. Details of the Governmental Notes. The Governmental Notes shall be delivered by the Authority to the Initial TEL Funding Lender pursuant to the TEL Funding Loan Agreement or to the Gap Funding Lender pursuant to the Gap Funding Loan Agreement, as appropriate, subject to the following conditions:

- a) The aggregate maximum principal amount of the Governmental Notes shall not exceed \$9,756,000.
- b) The initial interest rate on any Governmental Note shall not exceed 8.00% per annum.
- c) The maximum interest rate shall not exceed 12.00% per annum.
- d) The maximum principal amount coming due on any Governmental Note in any calendar year shall not exceed \$9,756,000.
- e) The Governmental Notes shall each have a stated maturity that is not later than the 20th anniversary of the date of their original issuance.
- f) Each Governmental Note, respectively, shall be subject to payment as set forth the TEL Funding Loan Agreement and Gap Funding Loan Agreement.
- g) Prior to delivery of the Governmental Notes, the Authority shall have received all fees provided in Section 44c of the Act.

The Governmental Notes shall be delivered to the Initial TEL Funding Lender pursuant to the TEL Funding Loan Agreement or to the Gap Funding Lender pursuant to the Gap Funding Loan Agreement, as appropriate, upon receipt of payment therefor and upon delivery to the Fiscal Agent of each of the following:

- A. A certified copy of this Resolution.
- B. An executed counterpart of the TEL Funding Loan Agreement.
- C. An executed counterpart of the Gap Funding Loan Agreement.
- D. An executed counterpart of each Governmental Note.
- E. An executed counterpart of the TEL Project Loan Agreement.
- F. An executed counterpart of the Gap Project Loan Agreement.
- G. An executed counterpart of each Project Note.
- H. An executed counterpart of the Regulatory Agreement.
- I. An opinion or opinions of Hawkins Delafield & Wood LLP, as bond counsel to the Authority (“Bond Counsel”), dated as of the date of delivery of the Governmental Notes, in form acceptable to the Director of Legal Affairs and the Attorney General of the State of Michigan (the “Attorney General”).
- J. An opinion or opinions of the Attorney General dated as of the date of the delivery of the Governmental Notes, in form acceptable to the Director of Legal Affairs.
- K. An opinion or opinions of legal counsel for the Borrower, dated as of the date of delivery of the Governmental Notes, in form acceptable to the Director of Legal Affairs, Bond Counsel and the Attorney General.
- L. A certificate or certificates dated the date of the delivery of the Governmental Notes made by the Authority, based upon a certificate or certificates of similar import from the Borrower and upon certain use and occupancy restrictions relating to the Project in recordable form, to the effect that the proceeds of the Governmental Notes will be used, and the Project will be operated, in a manner consistent with the requirements of the Internal Revenue Code of 1986, as amended, and the arbitrage regulations of the United States Department of Treasury.
- M. Such additional certificates, instruments, opinions of counsel and other documents as the Initial TEL Funding Lender, the Gap Funding Lender, the Fiscal Agent, Bond Counsel or the Attorney General may reasonably deem necessary or desirable to evidence the truth and accuracy on the date of delivery of the Governmental Notes, of the representations and warranties set forth in the TEL Funding Loan Agreement, the TEL Project Loan Agreement, the Gap Funding Loan Agreement or the Gap Project Loan Agreement, and such other matters as the Initial TEL Funding Lender, the Gap Funding Lender, Bond Counsel, the Borrower or the Attorney General may reasonably request.

SECTION 11. Approval of Filings and Submissions with Other Governmental Agents. Each Authorized Officer is severally authorized on behalf of the Authority to apply for such rulings, orders and approvals and file or submit such elections or other documents to any governmental agency in order that the Governmental Notes may be validly issued and the interest

on such notes may be exempt from federal income taxation. Applications for any such rulings, orders, approvals or elections previously submitted on behalf of the Authority are hereby ratified and confirmed.

SECTION 12. Authorization of Other Documents and Actions. An Authorized Officer, as well as counsel to the Authority, and each of them, are hereby authorized to execute and deliver such other certificates, documents, instruments, and opinions and other papers and to take such other actions as may be required by the TEL Funding Loan Agreement, the TEL Project Loan Agreement, the Gap Funding Loan Agreement or the Gap Project Loan Agreement, or as may be necessary or convenient to effectuate the delivery of the Governmental Notes and the closing of the loans.

SECTION 13. Appointment of Trustee/Fiscal Agent. The Huntington National Bank is hereby appointed Fiscal Agent under the TEL Funding Loan Agreement and the Gap Funding Loan Agreement.

SECTION 14. Appointment of Servicer. The appointment of CPC Mortgage Company LLC as Servicer as described in the TEL Funding Loan Agreement and the Gap Funding Loan Agreement is hereby approved.

SECTION 15. Conflict. All resolutions and parts of resolutions or other proceedings of the Authority in conflict herewith are repealed to the extent of such conflict.

SECTION 16. Effectiveness. This Resolution shall become effective upon adoption. If the Governmental Notes are not delivered on or before April 30, 2024, the authority granted by this Resolution shall lapse. In the event such delivery occurs later than March 31, 2024, all references to March 1, 2024 herein may be permissibly changed to the first of the month preceding the delivery of the Governmental Notes.

DRAFT

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

**RESOLUTION AUTHORIZING LOAN
BIRCH PARK, MSHDA No. 44c-205
CITY OF SAGINAW, SAGINAW COUNTY**

February 15, 2024

WHEREAS, the Michigan State Housing Development Authority (the "Authority") is authorized, under the provisions of Act No. 346 of the Public Acts of 1966 of the State of Michigan, as amended (the "Act"), to make loans to qualified nonprofit housing corporations, consumer housing cooperatives, limited dividend housing corporations, limited dividend housing associations, mobile home park corporations, and certain public bodies or agencies; and

WHEREAS, an application (the "Application") has been filed with the Authority by Ginosko Development Company and L + M Development Partners LLC (together, the "Applicant") for a Project Loan - TEL (Immediate) (the "TEL Project Loan") and a Project Loan - Gap (the "Gap Project Loan") in an aggregate amount not to exceed Nine Million Seven Hundred Fifty-Six Thousand Dollars (\$9,756,000) for the acquisition, rehabilitation and equipping of a housing project having an estimated Total Development Cost of Twenty Million Six Hundred Six Thousand Seven Hundred Sixty-One Dollars (\$20,606,761) to be known as Birch Park (the "Development"), located in the City of Saginaw, Saginaw County, Michigan and to be owned by Birch Park Preservation II Limited Dividend Housing Association, LLC (the "Borrower"); and

WHEREAS, the Chief Executive Officer and Executive Director has forwarded to the Authority her analysis of the Application and her recommendation with respect thereto; and

WHEREAS, the Authority has reviewed the Application and the recommendation of the Chief Executive Officer and Executive Director and, on the basis of the Application and such recommendation, has made determinations that:

- (a) The Borrower is an eligible applicant;
- (b) The proposed housing project is eligible for financing under Section 44c of the Act;
- (c) The Borrower has submitted evidence of a commitment to issue a credit enhancement in a form and amount sufficient to assure the Authority that its loan to the Borrower is reasonably secure;
- (d) The Borrower has agreed to compensate, as it considers appropriate and at no cost to the Authority, any underwriters, trustees, counsel, and other professionals as are necessary to complete the financing of the proposed housing project;
- (e) The Borrower has paid to the Authority its nonrefundable application fee;
- (f) The amount of the loan authorized hereby is consistent with the requirements of the Act as to the maximum limitation of loan amount; and

- (g) Use of the bond authority from the State uniform volume cap for the project will not impair the ability of the Authority to carry out programs or finance housing developments or housing units which are targeted to lower income persons.

WHEREAS, Sections 82 and 93 of the Act provide that the Authority shall determine a reasonable and proper rate of return to limited dividend housing corporations and associations on their investment in a housing project.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority as follows:

1. The Application be and it hereby is approved, subject to the terms and conditions of this Resolution, the Act, the General Rules of the Authority and the Loan Commitment Staff Report attached hereto (the "Commitment Report").

2. The TEL Project Loan and the Gap Project Loan (together, the "Loan") be and hereby are authorized and the Chief Executive Officer and Executive Director, the Chief Financial Officer, the Deputy Director of Finance, the Director of Legal Affairs and the Deputy Director of Legal Affairs, or any person duly authorized to act in such capacity (each an "Authorized Officer"), or any one of them acting alone, are authorized to issue to the Applicant and the Borrower the Authority's loan commitment (the "Commitment") for the acquisition, rehabilitation, and permanent financing of the proposed housing project, with the Loan to have an aggregate principal amount not to exceed Nine Million Seven Hundred Fifty-Six Thousand Dollars (\$9,756,000), to have a term not to exceed twenty (20) years, and to bear interest at a rate not to exceed twelve and no/100 percent (12%) per annum. Any Authorized Officer is authorized to modify or waive any condition or provision contained in the Commitment.

3. This Resolution and issuance of the Commitment are based on the information obtained from the Applicant. If the information provided by the Applicant is discovered to be materially inaccurate or misleading, or changes in any materially adverse respect, this Resolution, together with the Commitment issued pursuant hereto may, at the option of an Authorized Officer, be rescinded.

4. Notwithstanding passage of this Resolution or execution of any documents in anticipation of the closing of the proposed Loan, no contractual rights to receive the Loan authorized herein shall arise unless and until an Authorized Officer shall have issued the Commitment and the Applicant shall have agreed in writing within fifteen days after receipt thereof, to the terms and conditions contained therein.

5. Availability of funds for financing the Loan is subject to the Authority's ability to sell its limited obligation notes or bonds in the amount and at a rate or rates of interest and at a sufficient length of maturity, as determined by the Chief Executive Officer and Executive Director, necessary to make the Loan.

6. In accordance with Sections 93(b) and 44c(12) of the Act, the maximum reasonable and proper rate of return on the investment in the Development be and it hereby is determined to be twelve percent (12%) for the first twelve (12) months of operation of the Development following substantial completion. The allowable rate of return shall be increased by one percent (1%) for each twelve (12) month period after the first twelve (12) months. Any return less than the allowable rate in any preceding period may be received in any subsequent period on a cumulative basis.

7. The Loan shall be subject to, and the Commitment shall contain, the conditions set forth in the Commitment Report attached hereto, which conditions are hereby incorporated by reference as if fully set forth herein.



MSHDA

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

M E M O R A N D U M

TO: Authority Members

FROM: Amy Hovey, Chief Executive Officer and Executive Director *Amy Hovey*

DATE: February 15, 2024

RE: Coventry Woods, Development No. 44c-206 (the "Development")

RECOMMENDATION:

I recommend that the Michigan State Housing Development Authority (the "Authority") 1) adopt a resolution authorizing the issuance of a loan (the "Loan") with respect to the project described in the attached report; and 2) adopt a resolution authorizing the issuance of notes or bonds, the proceeds of which will finance the Loan.

PROJECT SUMMARY:

MSHDA No.:	44c-206
Development Name:	Coventry Woods
Development Location:	City of Walker, Kent County
Eligible Distressed Area:	No
Sponsor:	Ginosko Development Company and L + M Development Partners LLC
Borrower:	Coventry Woods Preservation II Limited Dividend Housing Association, LLC
Number of Units:	100 Senior Units and 1 Manager's Unit
Number of Accessible Units:	13 accessible units
Construction Method:	Acquisition and Rehabilitation
Financing Program:	Limited Obligation Multifamily Housing Revenue Bonds issued under Section 44c
Total Development Cost:	\$25,194,380
Aggregate Basis:	\$23,261,421
Total Loan Amount:	\$12,170,000 (52.3% of aggregate basis)
Credit Enhancement for Gap Note:	Cash Collateral from Borrower's equity investor and/or equity bridge loan proceeds Comerica Bank
Credit Enhancement for	

Real Estate Note: Standby Credit Enhancement Agreement issued by Freddie Mac under Freddie Mac's TEL (Immediate) Program

EXECUTIVE SUMMARY:

The Ginosko Development Company and L + M Development Partners LLC (together, the "Sponsor") propose to acquire and rehabilitate the Development, which consists of 100 affordable, LIHTC housing units located in the City of Walker, Kent County, Michigan. The Development will be acquired and rehabilitated using a construction and permanent loan financed with the proceeds of notes pursuant to Section 44c of the Authority's enabling act. The Development, as proposed, meets the requirements of Section 44c, and repayment of the notes will be reasonably secure, based on (1) a Standby Credit Enhancement Agreement issued under Freddie Mac's TEL (Immediate) Program in the amount of the permanent loan, and (2) cash collateral provided by the Borrower's equity investor and/or equity bridge loan proceeds from Comerica Bank, to cover the difference between the construction loan and the permanent loan amounts. The cash collateral will be invested in Aaa- or AAA-rated U.S. government-backed money market funds or other top tier investments and will be held by the fiscal agent for the notes.

The Authority will issue two series of notes — "Gap Note" and "Real Estate Note." Two sets of bond documents will be used for the respective Gap and Real Estate Notes.

The Gap Note will cover the difference between the principal amount of the Real Estate Note and the amount of tax-exempt volume cap required to satisfy the fifty percent (50%) test. The Gap Notes will be credit enhanced with cash collateral from the Borrower's equity investor and/or an equity bridge loan from Comerica Bank. The Gap Notes will be paid off after construction completion and when the development is placed in service (18-24 months).

The Real Estate Notes will be issued at closing and remain outstanding during the permanent loan term. The Real Estate Notes will be credit enhanced by a Standby Credit Enhancement Agreement under Freddie Mac's TEL (Immediate) Program.

Coventry Woods is located within Region F of the Statewide Housing Plan Regional Housing Partnerships, and this development supports the following goals of the Region F Action Plan:

- Goal 3.2, increasing access to stable and affordable housing options for households with extremely low incomes;
- Goal 4.1, increase the supply of the full spectrum of housing that is affordable and attainable to Michigan residents;

I am recommending Board approval for the following reasons:

- The Sponsor's application satisfies the requirements for the issuance of a commitment resolution under Section 44c of the Authority's Act and the Amended and Restated Pass-Through Program Statement adopted July 20, 2023.
- 100 units of senior housing and 1 manager's unit will be rehabilitated in the City of Walker.
- The repayment of the Authority's limited obligation notes will be reasonably secure based on the proposed collateral.

ADVANCING THE AUTHORITY'S MISSION:

- Approving a commitment resolution will allow this proposal to incur costs necessary for acquiring and rehabilitating the Development.

- All of the units (except for the manager's unit unless it is later converted to rental use) will be reserved for tenants at sixty percent (60%) of Area Median Income. Of those units, ten percent (10%) of the units (11 units) must be targeted to households whose income are at or below forty percent (40%) of Area Median Income.
- Additional details are provided on page 2 of the Staff Report.
- The Development receives Section 8 subsidy on 100 units and the subsidy will be preserved and extended for twenty (20) years for this new financing.

MUNICIPAL SUPPORT:

- The City of Walker supports the development and has granted a tax exemption and payment in lieu of taxes under the Act.

COMMUNITY ENGAGEMENT/IMPACT:

- It is anticipated that the construction or rehabilitation of the Development will create 18 temporary construction-related jobs.
- The community was invited to engage in a virtual public hearing (TEFRA Hearing) regarding the bond funding.
- Tenants were invited to participate in a Preconstruction meeting where they were informed of the project, had their questions answered and were able to provide their input to the anticipated renovations, including voicing concerns about their current apartments, the need for different project amenities, and other operational challenges which could be addressed during the rehabilitation.

RESIDENT IMPACT:

- The tenants will benefit from a comprehensive rehabilitation of the Development.
- Immediate and long-term capital needs of the Development will be addressed.
- Interior improvements will include new flooring, energy-efficient appliances, upgrades to HVAC systems and plumbing fixtures, energy efficient lighting, and partial interior door replacement. Exterior improvements will include work on the parking lot and landscaping, new LED exterior lighting, new building signage, repairs to building exterior including paint, and partial roof replacements (based on age and condition). Common area improvements will include LED light fixtures, PTAC units in hall, carpet tiles in hallways, a new exercise room, and upgrades to the beauty salon, laundry room, and security systems.
- If it becomes necessary, moving assistance will be provided to affected residents when an appropriate temporary unit is identified, and when rehabilitation of a unit appropriate for the family is completed.
- Lodging and meals for daily displaced residents will be coordinated by the site staff and the cost of such lodging and meals will be paid from the development budget. Rehabilitation of the remaining unit types will be started and completed on the same day.
- Tenants choosing to spend the day at the property will be directed to a hospitality area where beverages and snacks will be available. Food coupons will be provided for meals if the displacement lasts for more than four hours.
- The Sponsor's architect will confirm that the Development is ADA-compliant after rehabilitation.

ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:

Coventry Woods is one of five developments submitted by Ginosko Development Company and L + M Development Partners LLC for financing under the Authority's Pass-Through Program.



**AMENDED AND RESTATED PASS-THROUGH BOND PROGRAM
MORTGAGE LOAN COMMITMENT RESOLUTION STAFF REPORT**

February 15, 2024

RECOMMENDATION:

Adopt a resolution authorizing the issuance of a mortgage loan commitment with respect to the project described in this report.

ISSUES, POLICY CONSIDERATIONS AND RELATED ACTIONS:

Coventry Woods is one of five developments submitted by Ginosko Development Company and L + M Development Partners LLC for financing under the Authority's Pass-Through Program.

MSHDA No.:	44c-206
Development Name:	Coventry Woods
Development Location:	non-eligible distressed area in City of Walker, Kent County
Sponsor:	Ginosko Development Company and L + M Development Partners LLC
Borrower:	Coventry Woods Preservation II Limited Dividend Housing Association, LLC
Number of Units:	100 Senior Units and 1 Manager's Unit
Number of Accessible Units:	13 accessible units
Construction Method:	Acquisition and Rehabilitation
Financing Program:	Limited Obligation Multifamily Housing Revenue Bonds issued under Section 44c
Total Development Cost:	\$25,194,380 (estimated)
Aggregate Basis:	\$23,261,421
Total Loan Amount:	\$12,170,000 (52.3% of aggregate basis)
Credit Enhancement for Gap Notes:	Cash Collateral from the Borrower's equity investor and/or equity bridge loan proceeds from Comerica Bank
Credit Enhancement for Real Estate Notes:	Standby Credit Enhancement Agreement issued by Freddie Mac under Freddie Mac's TEL (Immediate) Program

**Mortgage Loan Commitment Staff Report
#44c-206, Coventry Woods
City of Walker, Kent County
February 15, 2024**

The material contained in this staff report is submitted to the Authority for information purposes only. The Authority does not underwrite Pass-Through Bond loans. To the extent that any information contained herein conflicts with the documents relating to the sale of the Authority's notes ("Notes") and the making of the loan, the latter documents shall control.

PROGRAM DESCRIPTION:

Section 44c of Public Act 346 of 1966, as amended (the "Act"), authorizes the Authority to issue notes and bonds that are not general obligations of the Authority and are not backed by the moral obligation of the State. The notes or bonds are "limited obligations" of the Authority with the security limited to the assets of the borrower, the project itself, and the credit enhancement and cash collateral arranged by the Borrower. These are generally referred to as "Pass Through" notes or bonds.

On July 20, 2023, the Authority re-authorized the Amended and Restated Pass-Through Bond Program, increasing the maximum allocation to \$300 million in tax-exempt bond volume cap. This program imposes rent and income targeting requirements of either 40% at 60% of area median income or 20% at 50% of area median income and limits the volume cap allocation available per project and per sponsor. In addition, at least 10% of the project's units must be more deeply targeted to households whose income is at or below 40% of area median income. It also requires limited market and environmental reviews.

PROPOSAL SUMMARY:

The Borrower proposes to acquire and rehabilitate 100 senior 1-bedroom units on a site located in the City of Walker (the "Development") (One manager's unit will be built during the rehabilitation of the Development). All of the apartment units in the Development, except for the manager's unit unless it is later converted to rental use, will be targeted to households with incomes at or below 60% of area median income, utilizing the new MTSP income limits. At least ten percent (10%) of the units (11 units) must be more deeply targeted to households with incomes at or below 40% of area median income, using the MTSP limits. 100 units receive project-based Section 8 rental subsidy from the U.S. Department of Housing and Urban Development ("HUD") under a contract that will be renewed for twenty years in anticipation of the refinancing.

Authority staff has received and reviewed commitments for the proposed credit enhancement and has determined that, if the proposed credit enhancements are delivered as set forth in the commitments, repayment of the Authority's Notes will be reasonably secure.

CONDITIONS:

1. **Income Limits:**

The Borrower must enter into a Regulatory Agreement with the Authority requiring that all of the units in the Development, except for the manager's unit unless it is later converted to rental use, must be rented or available for rental by tenants whose income does not exceed the 60% income limit for Multifamily Tax Subsidy Projects as determined by HUD with respect to projects financed pursuant to Section 142(d) of the Internal

Revenue Code of 1986, as amended (the "Code"), as further amended by the Housing and Economic Recovery Act of 2008 (P.L. 110-289) ("MTSP Limits"), adjusted for family size. Of those units, 11 units in the Development must be rented or available for rental by tenants whose income does not exceed the 40% MTSP Limit, adjusted for family size. These occupancy restrictions shall be contained in a covenant running with the land and shall remain in effect for the period that the Authority Notes to be issued to finance the acquisition and construction or rehabilitation of the Development remain outstanding, but in no event for less than the period of time required by the terms of the Low Income Housing Tax Credit ("LIHTC") Regulatory Agreement or the period required by Section 142(d) of the Code.

The income of the individuals and the area gross median income shall be determined by the Secretary of the Treasury in a manner consistent with determinations of lower income families and area median gross income under Section 8 of the U.S. Housing Act of 1937, including adjustments for family size. Until the Secretary of Treasury publishes its requirements, income of individuals shall be determined in accordance with the Section 8 regulations.

2. **Limitations on Rental Rates:**

The Regulatory Agreement must also require that the monthly Total Housing Expense (contract rent plus tenant-paid utilities) on all of the units in the Development (except for the manager's unit unless it is later converted to rental use) may not exceed 30% of 1/12 of the 60% MTSP Limit, assuming occupancy by one and one-half persons per bedroom. In addition, the Total Housing Expense for at least 10% or 11 units in the Development may not exceed 30% of 1/12 of the 40% MTSP Limit, assuming occupancy by one and one-half persons per bedroom. These limitations on rental rates shall be contained in a covenant running with the land and shall remain in effect for the period that the Authority Notes remain outstanding, but in no event for less than the period of time required by the terms of the LIHTC Regulatory Agreement, known as the Extended Use Period (the "EUP"). For purposes of determining whether or not the rents paid by the tenants of the Development are within the required limits set forth in this Section 2, the amount of any Section 8 rental subsidy paid on behalf of a tenant with respect to any unit shall not be considered as rent paid by the tenant.

3. **Covenant Running with the Land:**

The Borrower must subject the Development site to a covenant running with the land so as to preserve the tax-exempt status of the Notes. This covenant will provide that each unit must be rented or available for rental on a continuous basis to members of the general public for a period ending on the latest of the date which is 15 years after 50% of the residential units in the project are occupied, the first day on which no Notes are outstanding with respect to the project, or the date on which assistance provided to the project under Section 8 of the U.S. Housing Act of 1937 terminates (the "Qualified Project Period"). Additionally, during the Qualified Project Period, the minimum set-aside requirements of the Code must be maintained, namely, at least 40% of the units in the Development must be occupied or held available for occupancy by individuals whose income is lower than the MTSP Limits 60% income limit, adjusted for family size. The

income of individuals and area median income shall be determined by the Secretary of the Treasury in a manner consistent with determinations of lower income families and area median income under Section 8 of the U.S. Housing Act of 1937, including adjustments for family size. Until the Secretary of the Treasury publishes its requirements, income of the individuals shall be determined in accordance with Section 8 regulations.

4. **Limitation on Return on Equity:**

The Borrower must agree that its return on equity will be limited to 12% for the first 12-month period following substantial completion of the Development, with annual 1% increases thereafter, and to submit an annual financial statement evidencing its eligibility for return no later than 90 days after the close of the Borrower's fiscal year. The Borrower's return is fully cumulative. The amount of the Borrower's equity will be determined by the Authority.

5. **Note and Tax Credit Requirements:**

At the closing, the Borrower must enter into a Project Loan Agreement- TEL (Immediate) and a Project Loan Agreement (Gap Loan). A Standby Credit Enhancement Agreement issued by Freddie Mac under Freddie Mac's TEL (Immediate) will credit enhance the real estate note and cash collateral from Borrower's equity investor and/or equity bridge loan proceeds Comerica Bank will credit enhance the Gap Note which cash collateral will be deposited with the fiscal agent for the Gap Note and shall be held and invested by the fiscal agent in accordance with the Gap Funding Loan Agreement. The Borrower must certify in writing to the sources and uses involved in the financing of the Development and must also provide the Authority with an opinion of tax counsel, a Useful Life Certificate prepared by Borrower's accountants, and/or other evidence, as determined by the Authority's Director of Legal Affairs, that respectively confirm that the structure of the transaction will permit the Borrower to claim the LIHTC 4% credit.

6. **Loan Agreements; Indemnification; Compliance Monitoring and Reporting Requirements:**

In the Loan Agreements, the Borrower must agree to indemnify the Authority for any loss, damage, liability, claim, or expense which it incurs as a result of the financing, construction, ownership, or operation of the Development, or from the violation of any environmental laws. The Borrower must also agree to provide the Authority on or before September 1 of each year with a report in a form acceptable to the Authority, including such information as is required by Section 44c of the Act. The Borrower must also agree to participate in compliance monitoring activities relative to the Notes and the tax credits allocated to the Development, as required by the Authority's Compliance Monitoring staff, and to pay an annual compliance monitoring fee not to exceed 0.25% of the outstanding principal amount of the Notes. The form and substance of the Loan Agreement must be acceptable to the Authority's Director of Legal Affairs.

7. **Closing and Organizational Documents:**

Prior to closing, the Borrower must submit all of the documents relating to the sale of the limited obligation Notes and the making of the Loan, including title and survey matters,

and its organizational documents. All documents must be in compliance with the Authority's Act and acceptable to the Michigan Attorney General, the Authority's Bond counsel and the Authority's Director of Legal Affairs.

8. **Equal Employment Opportunity:**

At Bond closing, the Borrower and the general contractor must include the Authority's form Appendix to Construction Contract with the Construction Contract that is acceptable to the Authority's Director of Legal Affairs.

9. **LIHTC Regulatory Agreement:**

Following the Placed in Service Date, the Borrower must enter into an LIHTC Regulatory Agreement in a form required by the Authority.

DEVELOPMENT TEAM AND PROJECT INFORMATION:

Sponsor and Borrower:

1. **Sponsor 1:** Ginosko Development Company
41800 W. Eleven Mile Road, Suite 209
Novi, Michigan 48375
Contact: Amin Irving
Phone: (248) 513-4900

Sponsor 2: L + M Development Partners LLC
1865 Palmer Ave., Floor 2
Larchmont, NY 10538
Contact: Jeffrey Moelis
Phone: (212) 233-0495, ext. 109

2. **Borrower:** Coventry Woods Preservation II Limited Dividend Housing Association, LLC

Credit Enhancement:

The sponsor proposes a Standby Credit Enhancement Agreement issued by Freddie Mac under Freddie Mac's TEL Immediate Program and cash collateral from equity bridge loan proceeds.

Initial Funding Lender: CPC Mortgage Company, LLC

Bond Counsel: Hawkins Delafield & Wood LLP (*John Renken*)

Fiscal Agent: Huntington National Bank

**Mortgage Loan Commitment Staff Report
#44c-206, Coventry Woods
City of Walker, Kent County
February 15, 2024**

Credit Enhancement Provider: Federal Home Loan Mortgage Corporation (Freddie Mac) (TBD) and Comerica Bank (TBD)

Other Members of the Development Team:

Equity Partner:	Cinnaire (<i>Ben Stehouwer</i>)
Borrower's Counsel:	Honigman, LLP (<i>Steven Rypma</i>)
Borrower's Accountant:	Maner Costerisan (<i>Keith Pfeifle</i>)
Contractor:	Ginosko Construction (<i>Kenne Currie</i>)
Property Management:	KMG Prestige (<i>Paul Spencer</i>)
Architect:	Hooker DeJong Architects (<i>David Layman</i>)

Sources and Uses of Funds:

Freddie Mac TEL Immediate	\$ 8,955,000
Seller's Note (Acquisition)	5,563,000
Seller's Note (Reserves)	905,842
Income from Operations	842,015
LIHTC Equity	7,818,560
Deferred Developer Fee	<u>1,109,963</u>
Total Sources of Funds	\$ 25,194,380
Land/Building Acquisition	\$ 15,500,000
Site Work	102,000
Construction/Rehabilitation	3,680,281
Contractor Fees	482,329
Professional Fees	279,300
Interim Construction Costs	1,530,787
Permanent Financing Costs	430,486
Other	229,076
Syndication Costs	54,200
Developer Fee	2,231,282
Reserves	<u>674,639</u>
Total Uses of Funds	\$ 25,194,380

APPROVALS:

Jeffrey J Sykes

2-6-24

Jeffrey Sykes, Chief Financial Officer

Date

Chad A. Benson

2/6/2024

Chad Benson, Director of Development

Date

Clarence L. Stone, Jr.

2/7/2024

Clarence L. Stone, Jr., Director of Legal Affairs

Date

Amy Hovey

02/08/2024

Amy Hovey, Chief Executive Officer and Executive Director

Date

DRAFT

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY RESOLUTION
AUTHORIZING DELIVERY OF
MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
MULTIFAMILY HOUSING REVENUE NOTES OR BONDS RELATING TO
COVENTRY WOODS
TO FINANCE A LOAN OR LOANS TO
COVENTRY WOODS PRESERVATION II
LIMITED DIVIDEND HOUSING ASSOCIATION, LLC,
SO AS TO ENABLE THE BORROWER TO ACQUIRE, REHABILITATE AND EQUIP
A CERTAIN MULTIFAMILY RENTAL HOUSING FACILITY,
AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN PRIMARY
FINANCING DOCUMENTS AND GAP FINANCING DOCUMENTS, AND
DETERMINING AND AUTHORIZING OTHER MATTERS RELATIVE THERETO

February 15, 2024

WHEREAS, the Michigan State Housing Development Authority (the “Authority”) is authorized by Act 346, Michigan Public Acts, 1966, as amended (the “Act”), to issue notes and bonds for the purpose of making loans to limited dividend housing associations (as defined in the Act) to provide long-term financing for multifamily housing projects (as defined in the Act); and

WHEREAS, Coventry Woods Preservation II Limited Dividend Housing Association, LLC, a limited liability company duly organized and validly existing under the laws of the State of Michigan (the “Borrower”), is a limited dividend housing association (as defined in the Act); and

WHEREAS, the Borrower has applied to the Authority for one or more loans in a maximum amount of \$12,170,000 to finance the costs of acquiring, rehabilitating and equipping a certain multifamily housing development, known as Coventry Woods, located in the City of Walker, Kent County, Michigan (the “Project”); and

WHEREAS, the Authority proposes to issue one or more Multifamily Housing Revenue Notes dated the date of delivery (the “Governmental Notes”), in an aggregate principal amount not to exceed \$12,170,000 pursuant to this Resolution, the Funding Loan Agreement – TEL (Immediate), dated as of March 1, 2024 (the “TEL Funding Loan Agreement”), among the Authority, CPC Mortgage Company LLC (the “Initial TEL Funding Lender”) and The Huntington National Bank (the “Fiscal Agent”), and the Funding Loan Agreement (Gap Loan), dated as of March 1, 2024 (the “Gap Funding Loan Agreement”), among the Authority, CPC Mortgage Company LLC (the “Gap Funding Lender”) and the Fiscal Agent, to obtain funds to lend to the Borrower, pursuant to a Project Loan Agreement – TEL (Immediate), dated as of March 1, 2024 (the “TEL Project Loan Agreement”), among the Authority, the Fiscal Agent and the Borrower, and a Project Loan Agreement (Gap Loan), dated as of March 1, 2024 (the “Gap Project Loan Agreement”), among the Authority, the Fiscal Agent and the Borrower, collectively, to finance the costs of acquiring, rehabilitating and equipping the Project, as evidenced by one or more project

notes dated the date of delivery (the “Project Notes”) from the Borrower to the Authority, and assigned by the Authority to the Fiscal Agent; and

WHEREAS, the Federal Home Loan Mortgage Corporation, a shareholder-owned government-sponsored enterprise (“Freddie Mac”) has agreed to provide a standby credit enhancement agreement dated as of the date of delivery (the “Standby Credit Enhancement Agreement”) to the Fiscal Agent, which will serve as a credit enhancement for the loan made pursuant to the TEL Project Loan Agreement; and

WHEREAS, Comerica Bank has agreed to provide an equity bridge loan to the Borrower, the proceeds of which, in addition to other equity funds, as required, shall provide financing for the Project and credit enhancement for the Governmental Note delivered pursuant to the Gap Funding Loan Agreement (the “Gap Funding Loan Credit Enhancement”); and

WHEREAS, prior to the delivery of the Governmental Note relating to the TEL Funding Loan Agreement, Freddie Mac, will deliver a commitment to the Initial TEL Funding Lender, whereby Freddie Mac agrees to purchase the related loan upon satisfaction of the conditions set forth in the aforementioned commitment with the Initial TEL Funding Lender; and

WHEREAS, prior to the delivery of the Governmental Note relating to the Gap Funding Loan Agreement, Freddie Mac will deliver a commitment to the Gap Funding Lender, whereby Freddie Mac agrees to purchase the related loan upon satisfaction of the conditions set forth in the aforementioned commitment with the Gap Funding Lender; and

WHEREAS, the Authority has determined that making the loan or loans requested by the Borrower and delivering the Governmental Notes, as hereinafter provided, will promote and serve the intended purposes of, and in all respects will conform to the provisions and requirements of, the Act and the rules of the Authority; and

WHEREAS, pursuant to Section 27(1) of the Act, the Authority proposes to delegate to the Chief Executive Officer and Executive Director, the Chief Financial Officer, the Deputy Director of Finance, the Director of Legal Affairs, the Deputy Director of Legal Affairs, the Chairperson or the Vice Chairperson of the Authority or any person duly authorized to act in such capacity (each hereinafter individually referred to as an “Authorized Officer”) the power to determine certain terms and conditions of the Governmental Notes, subject to the limitations established herein.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority, as follows:

SECTION 1. Delivery of the Governmental Note; Limited Obligation. For the purpose of making the loan or loans requested by the Borrower and thereby assisting in the financing of the acquisition, rehabilitation, and equipping of the Project, the delivery of the Governmental Notes in an aggregate principal amount not to exceed \$12,170,000 is authorized.

The Governmental Notes shall be substantially as set forth in the TEL Funding Loan Agreement and Gap Funding Loan Agreement, respectively; shall be dated the date of delivery; and shall bear interest from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from their dated date.

The Governmental Notes shall be delivered pursuant to this Resolution and the TEL Funding Loan Agreement and Gap Funding Loan Agreement, respectively, in substantially the forms on file with the Executive Director, with such changes as may be acceptable to an Authorized Officer of the Authority.

The Governmental Notes and the interest obligation thereon shall never constitute a debt or general obligation of the State of Michigan or the Authority within the meaning of any constitutional or statutory provision or limitation, and shall never constitute nor give rise to a charge against the general credit or taxing powers of the State of Michigan or the general funds or assets of the Authority (including funds relating to other Authority loans or activities) but shall be limited obligations, and not general obligations, of the Authority payable solely from those certain revenues derived from the TEL Project Loan Agreement and Gap Project Loan Agreement, respectively, the Project Notes and otherwise as provided in the TEL Funding Loan Agreement or Gap Funding Loan Agreement. The Authority hereby approves the Standby Credit Enhancement Agreement and Gap Funding Loan Credit Enhancement and determines that repayment of the Governmental Notes will be reasonably secure.

SECTION 2. Application of Proceeds of the Governmental Notes. Immediately upon the receipt thereof, the proceeds of the Governmental Notes shall be deposited in the applicable funds and accounts created pursuant to the TEL Funding Loan Agreement and Gap Funding Loan Agreement, respectively, as provided therein.

SECTION 3. No Capital Reserve Requirement. The Governmental Notes shall not be secured by the capital reserve capital account of the Authority.

SECTION 4. Form of the Governmental Notes. The form of the Governmental Notes shall be substantially in the form attached to the TEL Funding Loan Agreement and Gap Funding Loan Agreement, respectively, with such appropriate changes, omissions and insertions as are permitted or required by such agreement or by subsequent action of an Authorized Officer.

SECTION 5. Execution of the Governmental Notes. The Governmental Notes shall bear the manual or facsimile signature of the Chairperson or Chief Executive Officer and Executive Director of the Authority, shall have the official seal of the Authority (or a facsimile thereof) impressed or imprinted thereon, and shall be authenticated by the manual signature of an authorized signer of the Fiscal Agent.

SECTION 6. Approval of the Regulatory Agreement. The form of one or more Regulatory Agreement, dated as of March 1, 2024 (the "Regulatory Agreement"), between the Authority and the Borrower, on file with the Executive Director and on which the date of adoption of this Resolution has been endorsed, with such changes as may be necessary or desirable, permitted by the Act or otherwise by law, and as any Authorized Officer deems are not materially adverse to the Authority, is hereby approved.

SECTION 7. Approval of TEL Funding Loan Agreement, TEL Project Loan Agreement, Gap Funding Loan Agreement and Gap Project Loan Agreement. The form of the TEL Funding Loan Agreement, the form of the TEL Project Loan Agreement, the form of the Gap Funding Loan Agreement and the form of the Gap Project Loan Agreement, on file with the Executive Director

and on which the date of adoption of this Resolution has been endorsed, with such changes as may be necessary or desirable, permitted by the Act or otherwise by law, and as any Authorized Officer deems are not materially adverse to the Authority, are hereby approved.

SECTION 8. Approval of the Project Notes. The forms of the Project Notes by the Borrower in favor of the Authority, on file with the Executive Director and on which the date of adoption of this Resolution has been endorsed, with such changes as may be necessary or desirable, permitted by the Act or otherwise by law, and as any Authorized Officer deems are not materially adverse to the Authority, are hereby approved.

SECTION 9. Execution and/or Delivery of the TEL Funding Loan Agreement, the TEL Project Loan Agreement, the Gap Funding Loan Agreement, the Gap Project Loan Agreement, the Project Notes and the Regulatory Agreement and Changes Therein. Each Authorized Officer is severally authorized to execute, seal in his or her discretion, deliver, and/or accept delivery, as appropriate, of the TEL Funding Loan Agreement, the TEL Project Loan Agreement, the Gap Funding Loan Agreement, the Gap Project Loan Agreement, the Project Notes (and the endorsement thereof) and the Regulatory Agreement in substantially the forms approved, with such changes as may be necessary or desirable, permitted by the Act or otherwise by law, and as any Authorized Officer deems are not materially adverse to the Authority.

SECTION 10. Details of the Governmental Notes. The Governmental Notes shall be delivered by the Authority to the Initial TEL Funding Lender pursuant to the TEL Funding Loan Agreement or to the Gap Funding Lender pursuant to the Gap Funding Loan Agreement, as appropriate, subject to the following conditions:

- a) The aggregate maximum principal amount of the Governmental Notes shall not exceed \$12,170,000.
- b) The initial interest rate on any Governmental Note shall not exceed 8.00% per annum.
- c) The maximum interest rate shall not exceed 12.00% per annum.
- d) The maximum principal amount coming due on any Governmental Note in any calendar year shall not exceed \$12,170,000.
- e) The Governmental Notes shall each have a stated maturity that is not later than the 20th anniversary of the date of their original issuance.
- f) Each Governmental Note, respectively, shall be subject to payment as set forth the TEL Funding Loan Agreement and Gap Funding Loan Agreement.
- g) Prior to delivery of the Governmental Notes, the Authority shall have received all fees provided in Section 44c of the Act.

The Governmental Notes shall be delivered to the Initial TEL Funding Lender pursuant to the TEL Funding Loan Agreement or to the Gap Funding Lender pursuant to the Gap Funding Loan

Agreement, as appropriate, upon receipt of payment therefor and upon delivery to the Fiscal Agent of each of the following:

- A. A certified copy of this Resolution.
- B. An executed counterpart of the TEL Funding Loan Agreement.
- C. An executed counterpart of the Gap Funding Loan Agreement.
- D. An executed counterpart of each Governmental Note.
- E. An executed counterpart of the TEL Project Loan Agreement.
- F. An executed counterpart of the Gap Project Loan Agreement.
- G. An executed counterpart of each Project Note.
- H. An executed counterpart of the Regulatory Agreement.
- I. An opinion or opinions of Hawkins Delafield & Wood LLP, as bond counsel to the Authority (“Bond Counsel”), dated as of the date of delivery of the Governmental Notes, in form acceptable to the Director of Legal Affairs and the Attorney General of the State of Michigan (the “Attorney General”).
- J. An opinion or opinions of the Attorney General dated as of the date of the delivery of the Governmental Notes, in form acceptable to the Director of Legal Affairs.
- K. An opinion or opinions of legal counsel for the Borrower, dated as of the date of delivery of the Governmental Notes, in form acceptable to the Director of Legal Affairs, Bond Counsel and the Attorney General.
- L. A certificate or certificates dated the date of the delivery of the Governmental Notes made by the Authority, based upon a certificate or certificates of similar import from the Borrower and upon certain use and occupancy restrictions relating to the Project in recordable form, to the effect that the proceeds of the Governmental Notes will be used, and the Project will be operated, in a manner consistent with the requirements of the Internal Revenue Code of 1986, as amended, and the arbitrage regulations of the United States Department of Treasury.
- M. Such additional certificates, instruments, opinions of counsel and other documents as the Initial TEL Funding Lender, the Gap Funding Lender, the Fiscal Agent, Bond Counsel or the Attorney General may reasonably deem necessary or desirable to evidence the truth and accuracy on the date of delivery of the Governmental Notes, of the representations and warranties set forth in the TEL Funding Loan Agreement, the TEL Project Loan Agreement, the Gap Funding Loan Agreement or the Gap Project Loan Agreement, and such other matters as the Initial TEL Funding Lender, the Gap Funding Lender, Bond Counsel, the Borrower or the Attorney General may reasonably request.

SECTION 11. Approval of Filings and Submissions with Other Governmental Agents. Each Authorized Officer is severally authorized on behalf of the Authority to apply for such rulings, orders and approvals and file or submit such elections or other documents to any governmental agency in order that the Governmental Notes may be validly issued and the interest on such notes may be exempt from federal income taxation. Applications for any such rulings, orders, approvals or elections previously submitted on behalf of the Authority are hereby ratified and confirmed.

SECTION 12. Authorization of Other Documents and Actions. An Authorized Officer, as well as counsel to the Authority, and each of them, are hereby authorized to execute and deliver such other certificates, documents, instruments, and opinions and other papers and to take such other actions as may be required by the TEL Funding Loan Agreement, the TEL Project Loan Agreement, the Gap Funding Loan Agreement or the Gap Project Loan Agreement, or as may be necessary or convenient to effectuate the delivery of the Governmental Notes and the closing of the loans.

SECTION 13. Appointment of Trustee/Fiscal Agent. The Huntington National Bank is hereby appointed Fiscal Agent under the TEL Funding Loan Agreement and the Gap Funding Loan Agreement.

SECTION 14. Appointment of Servicer. The appointment of CPC Mortgage Company LLC as Servicer as described in the TEL Funding Loan Agreement and the Gap Funding Loan Agreement is hereby approved.

SECTION 15. Conflict. All resolutions and parts of resolutions or other proceedings of the Authority in conflict herewith are repealed to the extent of such conflict.

SECTION 16. Effectiveness. This Resolution shall become effective upon adoption. If the Governmental Notes are not delivered on or before April 30, 2024, the authority granted by this Resolution shall lapse. In the event such delivery occurs later than March 31, 2024, all references to March 1, 2024 herein may be permissibly changed to the first of the month preceding the delivery of the Governmental Notes.

DRAFT

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

**RESOLUTION AUTHORIZING LOAN
COVENTRY WOODS, MSHDA No. 44c-206
WALKER, KENT COUNTY**

February 15, 2024

WHEREAS, the Michigan State Housing Development Authority (the "Authority") is authorized, under the provisions of Act No. 346 of the Public Acts of 1966 of the State of Michigan, as amended (the "Act"), to make loans to qualified nonprofit housing corporations, consumer housing cooperatives, limited dividend housing corporations, limited dividend housing associations, mobile home park corporations, and certain public bodies or agencies; and

WHEREAS, an application (the "Application") has been filed with the Authority by Ginosko Development Company and L + M Development Partners LLC (together, the "Applicant") for a Project Loan - TEL (Immediate) (the "TEL Project Loan") and a Project Loan - Gap (the "Gap Project Loan") in an aggregate amount not to exceed Twelve Million One Hundred Seventy Thousand Dollars (\$12,170,000) for the acquisition, rehabilitation and equipping of a housing project having an estimated Total Development Cost of Twenty-Five Million One Hundred Ninety-Four Thousand Three Hundred Eighty Dollars (\$25,194,380), to be known as Coventry Woods (the "Development"), located in the City of Walker, Kent County, Michigan and to be owned by Coventry Woods Preservation II Limited Dividend Housing Association, LLC (the "Borrower"); and

WHEREAS, the Chief Executive Officer and Executive Director has forwarded to the Authority her analysis of the Application and her recommendation with respect thereto; and

WHEREAS, the Authority has reviewed the Application and the recommendation of the Chief Executive Officer and Executive Director and, on the basis of the Application and such recommendation, has made determinations that:

- (a) The Borrower is an eligible applicant;
- (b) The proposed housing project is eligible for financing under Section 44c of the Act;
- (c) The Borrower has submitted evidence of a commitment to issue a credit enhancement in a form and amount sufficient to assure the Authority that its loan to the Borrower is reasonably secure;
- (d) The Borrower has agreed to compensate, as it considers appropriate and at no cost to the Authority, any underwriters, trustees, counsel, and other professionals as are necessary to complete the financing of the proposed housing project;
- (e) The Borrower has paid to the Authority its nonrefundable application fee;
- (f) The amount of the loan authorized hereby is consistent with the requirements of the Act as to the maximum limitation of loan amount; and

- (g) Use of the bond authority from the State uniform volume cap for the project will not impair the ability of the Authority to carry out programs or finance housing developments or housing units which are targeted to lower income persons.

WHEREAS, Sections 82 and 93 of the Act provide that the Authority shall determine a reasonable and proper rate of return to limited dividend housing corporations and associations on their investment in a housing project.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority as follows:

1. The Application be and it hereby is approved, subject to the terms and conditions of this Resolution, the Act, the General Rules of the Authority and the Loan Commitment Staff Report attached hereto (the "Commitment Report").

2. The TEL Project Loan and the Gap Project Loan (together, the "Loan") be and hereby are authorized and the Chief Executive Officer and Executive Director, the Chief Financial Officer, the Deputy Director of Finance, the Director of Legal Affairs and the Deputy Director of Legal Affairs, or any person duly authorized to act in such capacity (each an "Authorized Officer"), or any one of them acting alone, are authorized to issue to the Applicant and the Borrower the Authority's loan commitment (the "Commitment") for the acquisition, rehabilitation, and permanent financing of the proposed housing project, with the Loan to have an aggregate principal amount not to exceed Twelve Million One Hundred Seventy Thousand Dollars (\$12,170,000), to have a term not to exceed twenty (20) years, and to bear interest at a rate not to exceed twelve and no/100 percent (12%) per annum. Any Authorized Officer is authorized to modify or waive any condition or provision contained in the Commitment.

3. This Resolution and issuance of the Commitment are based on the information obtained from the Applicant. If the information provided by the Applicant is discovered to be materially inaccurate or misleading, or changes in any materially adverse respect, this Resolution, together with the Commitment issued pursuant hereto may, at the option of an Authorized Officer, be rescinded.

4. Notwithstanding passage of this Resolution or execution of any documents in anticipation of the closing of the proposed Loan, no contractual rights to receive the Loan authorized herein shall arise unless and until an Authorized Officer shall have issued the Commitment and the Applicant shall have agreed in writing within fifteen days after receipt thereof, to the terms and conditions contained therein.

5. Availability of funds for financing the Loan is subject to the Authority's ability to sell its limited obligation notes or bonds in the amount and at a rate or rates of interest and at a sufficient length of maturity, as determined by the Chief Executive Officer and Executive Director, necessary to make the Loan.

6. In accordance with Sections 93(b) and 44c(12) of the Act, the maximum reasonable and proper rate of return on the investment in the Development be and it hereby is determined to be twelve percent (12%) for the first twelve (12) months of operation of the Development following substantial completion. The allowable rate of return shall be increased by one percent (1%) for each twelve (12) month period after the first twelve (12) months. Any return less than the allowable rate in any preceding period may be received in any subsequent period on a cumulative basis.

7. The Loan shall be subject to, and the Commitment shall contain, the conditions set forth in the Commitment Report attached hereto, which conditions are hereby incorporated by reference as if fully set forth herein.



MSHDA

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

M E M O R A N D U M

TO: Authority Members

FROM: Amy Hovey, Chief Executive Officer and Executive Director

DATE: February 15, 2024

RE: The Sanctuary at Brewster, MSHDA Development No. 4122

RECOMMENDATION:

I recommend that the Michigan State Housing Development Authority (the "Authority") adopt a resolution that 1) determines Mortgage Loan Feasibility as to the following proposal, 2) authorizes a tax-exempt bond mortgage loan in the amounts set forth in this report, 3) authorizes a waiver of the Multifamily Direct Lending Parameters ("Parameters") regarding the payment in lieu of taxes ("PILOT" and 4) authorizes the Chief Executive Officer and Executive Director, or an Authorized Officer of the Authority, to issue the Authority's Mortgage Loan Commitment with respect to this development, subject to the terms and special conditions set forth in the accompanying Staff Report.

PROJECT SUMMARY:

MSHDA No:	4122
Development Name:	The Sanctuary at Brewster
Development Location:	Detroit, Wayne County
Sponsor:	MHT Housing, Inc.
Mortgagor:	The Sanctuary Brewster Limited Dividend Housing Association, Limited Liability Company
Number of Units:	52 affordable units
Number of Units Designated for Accessible Use:	6 accessible units
Total Development Cost:	\$21,261,812
TE Bond Construction Loan:	\$11,056,142
TE Bond Permanent Loan:	\$ 2,965,618
MSHDA CERA Loan:	\$ 2,346,685
MSHDA HOME-ARP Loan:	\$ 3,119,545
MSHDA HCDF Loan:	\$ 791,868
Syndication Proceeds (LIHTC):	\$ 8,278,049
Income from Operations:	\$ 25,047

Sponsor loan:	\$ 205,000
Deferred Developer Fee:	\$ 530,000

EXECUTIVE SUMMARY:

The Sanctuary at Brewster is a 52-unit new construction proposal for housing to be available for homeless or those at risk of homelessness regardless of age. This is a Permanent Supportive Housing (“PSH”) development that will receive MSHDA Project Based Vouchers (“PBV”) for all 52 units. The development team is coordinating with various service partners to provide counseling services, life skills training, job training, financial literacy training, conflict resolution and other services as needed. Greater Grace Temple, along with support from Detroit Wayne Integrated Health Network (“DWIHN”) will be leading the effort to coordinate these and other needed services.

The development site is approximately one acre. All 52 units are one bedroom, 610 square feet apartments within a four-story building. Each unit will feature energy efficient appliances, including washers and dryers, dishwashers, frost-free refrigerators, ovens, ranges with hoods, disposals, microwaves, and central air conditioning. A fitness room, computer center, bike room and other community spaces will be on the first floor along with management offices. Located in an area with public transit nearby, the walkability score is 94.

The neighborhood is of major historical significance. Brewster Homes is across the street from the proposed site. This was a neighborhood that was developed by the Detroit Housing Commission in 1935 and was the first federally funded public housing project in the United States. Funded by President Roosevelt’s “New Deal” program, Eleanor Roosevelt (the First Lady) attended the groundbreaking ceremony held on September 15, 1935. There were a total of 941 units in the Brewster Homes neighborhood and in the early 1950’s the Detroit Housing Commission constructed 6 fourteen-story high-rise apartment building towers. It is reported that between 8,000 and 10,000 people lived in the neighborhood at one time. Many famous people resided in the neighborhood including Joe Louis, Smokey Robinson, Lilly Tomlin, Diana Ross and the Supremes. The original Brewster Homes were demolished in the 1990’s, and the Detroit Housing Commission built 250 townhome units in their place. The towers closed in 2008 and were ultimately torn down in 2014. A private developer is planning a \$300 million real estate development complex at the Brewster Homes site to include residential and commercial opportunities.

The Sanctuary at Brewster will be located next to the soon to be renovated Brewster Wheeler Recreation Center. The Brewster Wheeler Recreation Center was built in 1929. In its heyday, Joe Louis used to train in the basement where the ring he used to spar in is still intact. The Harlem Globetrotters played their first road game there, and Diana Ross and the Supremes would also perform in the auditorium.

I am recommending Board approval for the following reasons:

- Financing this Development will help spur additional reinvestment in this area.
- Financing the Development will result in a new earning asset for the Authority.

ADVANCING THE AUTHORITY’S MISSION:

The Development will add 52 affordable units to the Authority’s portfolio, including 52 PBV units.

The Sanctuary at Brewster is located within Region O of the Statewide Housing Plan Regional Housing Partnerships, and this development supports the following goals of the Region O Action Plan:

- Goal 1.3, Increase the amount of housing that is accessible, safe, and healthy, regardless of age, disability, or family size across all neighborhoods and communities.
- Goal 2.3, Support an expansion of housing that is affordable and fairly assessed by increasing the availability and demographic diversity of workers.
- Goal 4.1, Increase the supply of the full-spectrum housing that is affordable and attainable to Michigan residents.

MUNICIPAL SUPPORT:

- Municipal support is evidenced by the \$3,000,000 City of Detroit loan.
- Municipal support is also evidenced by approval of the site plan and the City of Detroit's willingness to work with the Sponsor to secure land control.
- The City of Detroit's multimillion-dollar investment in the elimination of I-375 demonstrates the City's commitment to improving the area and returning it to a more residential character.

COMMUNITY ENGAGEMENT/IMPACT:

Over the past several months, Bishop Ellis III has built support for The Sanctuary at Brewster. He has reached out to many institutions in the Midtown area of Detroit. His efforts have been very fruitful and are leading to partnerships with service organizations including:

- Wayne County Community College
- Detroit Public Schools
- Samaritas
- Orchard Children's Services
- Covenant House
- Black Family Development, Inc.
- Department of Health and Human Services – North-Central & South-Central CFS Districts
- Detroit Medical Center
- Believe Trust and Change Counseling
- Michigan Children's Law Center
- Urban League of Detroit and Southeastern Michigan
- Detroit Association of Black Organizations

ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:

The Development will require a waiver of the following Parameters (Section VI I 2.) conditioned on the PILOT being found acceptable prior to the Authority's disbursement of any funds. See Special Condition No. 2.

- Proposals that do not include an approved PILOT arrangement will be underwritten based on the ad valorem taxes applicable to the property.
- For a proposal to be underwritten on the basis of a PILOT, the PILOT must be approved prior to Authority Board consideration.

Authority staff has also reviewed and granted waivers of the Design Standards requiring individual balconies or patios for new construction projects, as well as allowing fewer parking spaces at the rate of .7 spaces for every unit, rather than 2 spaces per unit. The development proposal has received site plan approval, and the ratio is in accordance with the City's Parking Ordinance.



MORTGAGE LOAN FEASIBILITY/COMMITMENT STAFF REPORT

February 15, 2024

RECOMMENDATION:

I recommend that the Michigan State Housing Development Authority (the "Authority") adopt resolutions that 1) determine Mortgage Loan Feasibility as to the following proposal, 2) authorize a tax-exempt bond mortgage loan in the amounts set forth in this report, 3) authorize a waiver of the Multifamily Direct Lending Parameters ("Parameters") regarding the payment in lieu of taxes ("PILOT"), Parking, and balconies/patios and 4) authorize the Chief Executive Officer and Executive Director, or an Authorized Officer of the Authority, to issue the Authority's Mortgage Loan Commitment with respect to this development, subject to the terms and conditions set forth in this report.

<u>MSHDA No.:</u>	4122
<u>Development Name:</u>	The Sanctuary at Brewster
<u>Development Location:</u>	City of Detroit, Wayne County
<u>Sponsor:</u>	MHT Housing, Inc.
<u>Mortgagor:</u>	The Sanctuary Brewster Limited Dividend Housing Association Limited Liability Company, LLC
<u>TE Bond Construction Loan:</u>	\$ 11,056,142 (52% of TDC)
<u>TE Bond Permanent Loan:</u>	\$ 2,965,618
<u>MSHDA CERA:</u>	\$ 2,346,685
<u>MSHDA HOME-ARP Loan:</u>	\$ 3,119,545
<u>MSHA HCDF:</u>	\$ 791,868
<u>Total Development Cost:</u>	\$ 21,261,812
<u>Mortgage Amortization and Term:</u>	40 years for the tax-exempt bond loan; 50 years for the HOME-ARP, MSHDA CERA, and MSHDA HCDF loans.
<u>Interest Rate:</u>	6.625% for the tax-exempt bond loan; 1% simple interest for the HOME-ARP, MSHDA HCDF and MSHDA CERA
<u>Program:</u>	Tax-Exempt Bond and PSH Gap Financing Programs
<u>Number of Units:</u>	52 family units of new construction
<u>Unit Configuration:</u>	52 One bedroom Apartments
<u>Builder:</u>	MHT Construction
<u>Syndicator:</u>	Cinnaire
<u>Date Application Received:</u>	5/23/2023
<u>HDO:</u>	Ryan Koenigs knecht

Issuance of the Authority's Mortgage Loan Commitment is subject to fulfillment of all Authority processing and review requirements and obtaining all necessary staff approvals as required by the Authority's underwriting standards.

ISSUES, POLICY CONSIDERATIONS AND RELATED ACTIONS:

The Permanent Supportive Housing (PSH) Gap Financing Program combines portions of MSHDA's HOME-ARP, Housing and Community Development Funds (HCDF) and repurposed COVID Emergency Rental Assistance (CERA) funds to increase affordable housing access for low-income households and those experiencing homelessness. The Michigan State Housing Development Authority ("MSHDA") was allocated \$63,793,681 of HOME-ARP funding, of which \$43,293,681 is for HOME-ARP affordable housing development. \$11 million of HCDF have been designated towards the creation of PSH and up to \$40 million of CERA funds will also be used in support of that effort.

The Development will require a waiver of the following Direct Lending Parameters (Section VI I 2.) conditioned on the PILOT being found acceptable prior to the Authority's disbursement of any funds. See Special Condition No. 2.

- Proposals that do not include an approved PILOT arrangement will be underwritten based on the ad valorem taxes applicable to the property.
- For a proposal to be underwritten on the basis of a PILOT, the PILOT must be approved prior to Authority Board consideration.

It is further recommended that waivers be granted of the Design Standards requiring individual balconies or patios for new construction projects, as well as allowing fewer parking spaces at the rate of 0.7 spaces for every unit, rather than 2 spaces per unit. The development proposal has received site plan approval from the City of Detroit and the ratio is in accordance with the City's Parking Ordinance.

EXECUTIVE SUMMARY:

The Sanctuary at Brewster is a 52-unit new construction proposal that intends for its primary residents to be homeless youth that are aging out of Michigan's Foster Care system, but the development will also be available for homeless or those at risk of homelessness regardless of age. This is a PSH development that will receive MSHDA Project Based Vouchers (PBV) for all 52 units. The development team is coordinating with various service partners to provide counseling services, life skills training, job training, financial literacy training, conflict resolution and other services as needed. Greater Grace Temple, along with support from Detroit Wayne Integrated Health Network (DWIHN), will be leading the effort toward coordination of these and other needed services.

The development site is approximately one acre. All 52 units are one bedroom, 610 square feet apartments within a four-story building. A fitness room, computer center, bike room and other community spaces will be on the first floor along with management offices. This a very walkable site with public transit nearby. The walk score is 94. Each unit will feature energy efficient appliances, including washers and dryers, dishwashers, frost free refrigerators, ovens, ranges with hoods, disposals, microwaves, and central air conditioning.

The neighborhood is of major historical significance. Brewster Homes is located across the street from the proposed site. It was developed by the Detroit Housing Commission in 1935 and was the first federally funded public Housing project in the United States. Funded by President Roosevelt's "New Deal" program, Eleanor Roosevelt (the First Lady) attended the groundbreaking ceremony held on September 15, 1935. There were 941 units (mostly row homes) in the Brewster Homes

neighborhood, and in the early 1950's the Detroit Housing Commission constructed 6 fourteen-story high-rise apartment building towers. It is reported that between 8,000 and 10,000 people lived in the neighborhood at one time. Many famous people resided in the neighborhood including Joe Louis, Smokey Robinson, Lilly Tomlin, and Diana Ross and the Supremes. The Brewster Homes were demolished in the 1990's and the Detroit Housing Commission built 250 townhome units in their place. The towers closed in 2008 and were ultimately torn down in 2014. A private developer is planning a \$300 million real estate development complex at the Brewster Homes site to include residential and commercial units.

The Sanctuary will be located next to the soon to be renovated Brewster Wheeler Recreation Center. The Brewster Wheeler Recreation Center was built in 1929. In its heyday Joe Louis used to train in the basement, where the ring he used to spar in is still intact. The Harlem Globetrotters played their first road game there and Diana Ross and the Supremes performed in the auditorium. This was a center for the children of Detroit, where recreation, swimming lessons, various sports leagues and countless other enrichment activities were offered.

Structure of the Transaction and Funding:

There are several elements to this transaction that are common to new construction transactions:

- A tax-exempt bond construction loan will be provided by the Authority in the amount of \$11,056,142 at 6.625% interest with a 21-month term (a 15-month construction term and a 6-month rent-up period), which will be used to bridge an extended equity pay-in period. Payments of interest only will be required during the construction loan. The principal balance of the construction loan will be reduced to the permanent loan amount due on the first day of the month following the month in which the 21-month construction loan term expires or such later date as established by an Authorized Officer of the Authority (the "Permanent Financing Date").
- A permanent Mortgage Loan will be provided by the Authority in the amount of \$2,965,618. The permanent loan amount is based on the current rents, less vacancy loss, payments to reserves and escrows, operating costs based on historical data unless modified by project improvements and construction and soft costs at levels appropriate for this specific transaction. The permanent loan is based on a 1.2 debt service coverage ratio, an annual interest rate of 6.625%, with a fully amortizing term of 40 years commencing on the Permanent Financing Date. The permanent Mortgage Loan will begin to amortize on the Permanent Financing Date and will be in **First Position**.
- A permanent subordinate loan using MSHDA HOME-ARP funds (the "HOME-ARP Loan") in the amount of \$3,119,545 will be provided at 1% simple interest with payments initially deferred. The HOME Loan will be in **Second Position**.
- A permanent subordinate loan using Authority Housing Community Development Fund (the "HCDF Loan") in the amount of \$791,868 will be provided at 1% simple interest with payments initially deferred. The HCDF Loan will be in **Third Position**.
- A permanent subordinate loan using an Authority CERA Loan (the "CERA Loan") in the amount of \$2,346,685 will be provided at 1% simple interest with payments initially deferred. The CERA Loan will be in **Fourth Position**.

Mortgage Feasibility/Commitment Staff Report
The Sanctuary at Brewster, MSHDA No. 4122
City of Detroit, Wayne County
02/15/2024

- The City of Detroit, acting by and through its Housing & Redevelopment Department is providing a loan in the amount of \$3,000,000 from HOME, ARPA or another source designated by the City of Detroit (the “City Loan”). The City Loan will be in **Fifth Position**, as confirmed by a Subordination and Intercreditor Agreement to be entered into by the City of Detroit. See Special Condition No. 3.
- Equity support comes from an investment related to the 4% LIHTC in the estimated amount of \$8,278,049.
- The Authority is providing Fifty-Two (52) project-based vouchers from the Authority’s Housing Choice Voucher program. The Housing Assistance Payment (“HAP”) contract will be for an initial term of 15 years with up to three 5-year extensions possible.
- Income from operations will be used as a source of funding to make interest-only payments and the tax and insurance payments during the construction period in the amount of \$25,047.
- The Sponsor has agreed to defer \$530,000 of the developer fee to help fill the remaining funding gap.
- The Sponsor is providing a loan in the amount of \$205,000. See Special Condition No. 5.
- A syndicator reserve in the amount of \$359,511 will be required by the equity investor for potential operating deficits. This reserve will be held and controlled pursuant to the terms of the Mortgagor’s Amended and Restated Operating Agreement. See Special Condition No. 4.
- An operating assurance reserve (“OAR”) will be required in the amount identified in the attached proforma. The reserve will be capitalized at closing in an amount which, along with accumulated interest, is expected to meet the Development’s unanticipated operating needs. This reserve will be held by the Authority.

Site Selection:

The site has been vetted by Authority Staff and the Authorities Manager of the office of Market Research has indicated that the site meets the Authorities current site selection criteria.

Market Evaluation:

The unit mix as well as the amenities package and rent levels have been approved by the Manager of the office of Market Research Rental Development Division.

Valuation of the Property:

An appraisal dated 9/12/2023 estimates the value at \$1,710,000.

CONDITIONS:

At or prior to (i) issuance of the Authority's mortgage loan commitment ("Mortgage Loan Commitment"), (ii) the initial Mortgage Loan Closing (the "Initial Closing"), or (iii) such other date as may be specified herein, the new Mortgagor, and other members of the Development team, where appropriate, must satisfy each of the following conditions by entering into a written agreement or providing documentation acceptable to the Authority:

Standard Conditions:

1. Limitation for Return on Equity:

For each year of the Development's operation, beginning in the year in which the Mortgage Cut-Off Date occurs, payments are limited to twelve percent (12%) of the Mortgagor's equity. For purposes of distributions, the Mortgagor's equity will be the sum of (i) the LIHTC equity; (ii) the brownfield tax credit equity; (iii) the historic tax credit equity; (iv) managing member capital contributions; and (v) any interest earned on an equity escrow held by the Authority (estimated to be a total of \$8,278,049). All such payments shall be referred to as "Limited Dividend Payments". The Mortgagor's return shall be fully cumulative. If Authority gap funds are included in the development sources the Limited Dividend Payments are capped at 12% per annum, while those loans remain outstanding. If there are no Authority gap loan outstanding, then Limited Dividend Payments may increase 1% per annum until a cap of 25% per annum is reached.

2. Income Limits:

The income limitations for all 52 units of this proposal are as follows:

- a. Fifty-Two units (52 one-bedroom units) must be available for occupancy by households whose incomes do not exceed the MTSP 60% income limits, adjusted for family size, until the latest of (i) the expiration of the LIHTC "Extended Use Period" as defined in the Development's LIHTC Regulatory Agreement; (ii) 50 years from Initial Closing; or (iii) so long as any Authority loan remains outstanding.
- b. Eight units (8 one-bedroom units) have been designated as Low-HOME units and during the Period of Affordability required under the HOME-ARP program (20 years) must be available for occupancy by households whose incomes do not exceed the Low-HOME income limit as published by HUD, adjusted for family size.
- c. Six units (6 one-bedroom units) have been designated as CERA units and during the Period of Affordability required under the CERA program (20 years) must be available for occupancy by households whose incomes do not exceed the MTSP 30% income limits, adjusted for family size, until the latest of (i) the expiration of the LIHTC "Extended Use Period" as defined in the Development's LIHTC Regulatory Agreement; (ii) 50 years from Initial Closing; or (iii) so long as any Authority loan remains outstanding.
- d. Two units (2 one-bedroom units) have been designated as HCDF units and must be available for occupancy by households whose incomes do not exceed the MTSP 30% income limits, adjusted for family size, until the latest of (i) the expiration of the LIHTC "Extended Use Period" as defined in the Development's LIHTC Regulatory Agreement; (ii) 50 years from Initial Closing; or (iii) so long as any Authority loan remains outstanding.

52-units will receive MSHDA project-based vouchers (PBVs), and occupancy of those units will be restricted to households whose incomes do not exceed the income limits established by the PBV HAP Contract.

To the extent units within the Development are subject to multiple sets of income limits, the most restrictive income limit will apply so long as the applicable term of affordability continues.

The income of individuals and area median income will be determined by the Secretary of the Treasury in a manner consistent with determinations of lower income families and area median income under Section 8 of the U.S. Housing Act of 1937, including adjustments for family size.

3. Limitations on Rental Rates:

The Total Housing Expense (contract rent plus tenant-paid utilities) for all 52 units is subject to the following limitations:

- a. The Total Housing Expense for all fifty-two units (52 one-bedroom units), may not exceed one-twelfth (1/12th) of 30% of 60% of the MTSP limit, adjusted for family size and based upon an imputed occupancy of one and one-half persons per bedroom. This restriction will apply until the latest of (i) the end of the Extended Use Period, (ii) 50 years after Initial Closing; or (iii) so long as any Authority loan remains outstanding.
- b. During the Period of Affordability required under the HOME-ARP program (20 years), the Total Housing Expense for the eight Low-HOME units may not exceed the “Low-HOME Rent Limit” for the unit established and published annually by HUD.
- c. During the period of affordability required under the CERA program (20 years), the Total Housing Expense for all six CERA units (6 one-bedroom units), may not exceed one-twelfth (1/12th) of 30% of 30% of the MTSP limit, adjusted for family size and based upon an imputed occupancy of one and one-half persons per bedroom. This restriction will apply until the latest of (i) the end of the Extended Use Period, (ii) 50 years after Initial Closing; or (iii) so long as any Authority loan remains outstanding.
- d. The Total Housing Expense for all two HCDF units (2 one-bedroom units), may not exceed one-twelfth (1/12th) of 30% of 30% of the MTSP limit, adjusted for family size and based upon an imputed occupancy of one and one-half persons per bedroom. This restriction will apply until the latest of (i) the end of the Extended Use Period, (ii) 50 years after Initial Closing; or (iii) so long as any Authority loan remains outstanding.

The rents to be paid for the units assisted with the PBV HAP Contract may not exceed the rent limits established and published annually by HUD for the PBV Program.

To the extent units within the Development are subject to multiple sets of rent limits, the most restrictive rent limit will apply so long as the applicable term of affordability continues.

For the initial lease term of the first household occupying each rent-restricted unit in the Development the initial rent may not exceed 105% of the rent approved in this Mortgage Loan Feasibility/Commitment Staff Report. Rental increases on occupied units during any 12-month period will be limited to not more than 5% of the rent paid by the resident household at the beginning of that annual period. Exceptions to this limitation may be granted by MSHDA's Director of Asset Management for extraordinary increases in project operating expenses (exclusive of limited dividend payments) or mortgage loan increases to fund cost overruns pursuant to the Authority's policy on Mortgage Loan increases. Rents on vacated units may be increased to the maximum level permissible by the applicable programs. Rents and utility allowances must be approved annually by the Authority's Division of Asset Management. Increases in rents relating to PBV-assisted units must also be requested to the assigned PBV Specialist per guidance outlined on the MSHDA/PBV website.

4. Covenant Running with the Land:

The Mortgagor must subject the Development site to a covenant running with the land so as to preserve the tax-exempt status of the obligations issued or to be issued to finance the Mortgage Loan. This covenant will provide that each unit must be rented or available for rental on a continuous basis to members of the general public for a period ending on the latest of the date which is 15 years after the date on which 50% of the residential units in the Development are occupied, the first day on which no bonds are outstanding with respect to the project, or the date on which assistance provided to the project under Section 8 of the U.S. Housing Act of 1937 terminates. The income of individuals and area median income shall be determined by the Secretary of the Treasury in a manner consistent with determinations of lower income families and area median income under Section 8 of the U.S. Housing Act of 1937, including adjustments for family size. Until the Secretary of the Treasury publishes its requirements, income of the individuals shall be determined in accordance with Section 8 regulations. Additionally, if LIHTC is awarded to the Development, the Mortgagor must agree to subject the property to the extended low-income use commitment required by Section 42 of the Internal Revenue Code.

5. Restriction on Prepayment and Subsequent Use:

The Mortgage Loan is eligible for prepayment after the expiration of fifteen (15) years after the commencement of amortization. The Mortgagor must provide the Authority with at least 60 days' written notice prior to any such prepayment.

In the event of a prepayment, however, the Mortgagor must pay a prepayment fee equal to the sum of:

- a. 1% of the balance being prepaid;
- b. Any bond call premium, prepayment or swap penalty, or any other cost that the Authority incurs to prepay the bonds or notes that were used to fund the Mortgage Loan; and
- c. Any loss of debt service spread between the Mortgage Loan and the bonds used to finance the loan from the date of the prepayment through the end of the 20th year of amortization.

Once the Mortgagor has been approved for the early prepayment of the underlying loan, it

must sign an agreement with the Authority stating it is responsible for the cost of terminating the swap. The Mortgagor can then choose the timing of the termination and participate in the transaction with the swap counterparty. The swap counterparty will quote the cost of terminating the swap and the Mortgagor will have the ability to execute the transaction or cancel at its sole discretion. If the Mortgagor chooses not to terminate the swap, it will forfeit the right to prepay the Mortgage Loan.

Subordinate loans are eligible to prepay at any time upon 60 days prior written notice to the Authority, but prepayment may not extinguish federal affordability and compliance requirements.

6. Operating Assurance Reserve:

At Initial Closing, the Mortgagor shall fund an operating assurance reserve ("OAR") in the amount equal to 4 months of estimated Development operating expenses (estimated to be \$204,174) The OAR will be used to fund operating shortfalls incurred at the Development and will be disbursed by the Authority in accordance with the Authority's written policy on the use of the Operating Assurance Reserve, as amended from time to time. The OAR must be either (i) fully funded with cash, or (ii) funded with a combination of cash and an irrevocable, unconditional letter of credit acceptable to the Authority, in an amount that may not exceed 50% of the OAR requirement. To the extent that any portion of the OAR is drawn for use prior to the final closing of the Mortgage Loan, the Mortgagor must restore the OAR to its original balance at final closing.

7. Replacement Reserve:

The Mortgagor must agree to establish a replacement reserve fund ("Replacement Reserve") by making annual deposits to the Replacement Reserve, beginning on the Mortgage Cut-Off Date, at a minimum of \$350 per unit for the first year of operation, payable in monthly installments, with deposits in subsequent years to be the greater of (i) the prior year's deposit, increased by 3%, or (ii) a percentage of the Development's projected annual rental income or gross rent potential ("GRP") for the year using the percentage obtained by dividing the first year's deposit by the first year's GRP shown on the operating proforma for the Development attached hereto. The annual deposit to the Replacement Reserve may also be increased to any higher amount that is determined to be necessary by the Authority, based on a CNA and the Authority's Replacement Reserve policies. The Authority may update any CNA or obtain a new CNA every five years, or upon any frequency, as determined necessary by the Authority.

8. Authority Subordinate Loan(s):

At Initial Closing, the Mortgagor must enter into agreements relating to the permanent HCDF/HOME-ARP/CERA Loans. Each will be secured by a subordinate mortgage in order of priority as outlined in the Structure of the Transaction and Funding section of this document. The HCDF/HOME-ARP/CERA Loans will each bear simple interest at 1% with a 50-year term. No loan payments will be required on any HCDF/HOME-ARP/CERA Loan until the earlier of (a) the year in which the sum of all annual surplus funds available for distribution equals or exceeds the amount of the deferred developer fee, or (b) the 13th year following the commencement of amortization of the Tax-Exempt Mortgage Loan. Interest will continue to accrue on each loan until paid in full.

Mortgage Feasibility/Commitment Staff Report
The Sanctuary at Brewster, MSHDA No. 4122
City of Detroit, Wayne County
02/15/2024

At the earlier of (a) the year in which the sum of all annual surplus funds available for distribution equals or exceeds the amount of the deferred developer fee or (b) the 13th year following the date that Tax-Exempt Mortgage Loan amortization commences, repayment of the HCDF/HOME-ARP/CERA Loan will commence according to the following:

- So long as the Tax-Exempt Mortgage Loan remains outstanding payments of fifty percent (50%) of any surplus cash available for distribution shall be deposited into an HCDF/HOME-ARP/CERA Subsidy Reserve and will be used to repay the HCDF/HOME-ARP/CERA Loans periodically in the order of lien priority, if the amount of funds accumulated in the reserve warrant it, or at the end of the loan term, or otherwise used to assist the Development if needed. If reserve funds are used toward loan repayment, they shall be applied first to accrued interest, then to current interest and principal and shall continue until the sale of the Development or refinancing of the Mortgage Loan, at which time the HCDF/HOME-ARP/CERA Loan shall be due in full.
- Upon payment in full of the Tax-Exempt Mortgage Loan, and any of the HCDF Loan, HOME-ARP Loan or the CERA Loan remains outstanding, then the outstanding balance of the HOME-ARP Loan, including accrued interest, will become the new first mortgage loan and will begin amortization with monthly payments equal to the payments made under the original Mortgage Loan. At this time, payments of fifty percent (50%) of any surplus cash available for distribution shall be deposited into an HCDF/HOME-ARP/CERA Subsidy Reserve and will be used to repay the HCDF Loan and CERA Loan periodically, if the amount of funds accumulated in the reserve warrant it, or at the end of the loan term, or otherwise used to assist the Development if needed and approved in the sole discretion of the Director of Asset Management. If reserve funds are used toward loan repayment, they shall be applied first to the HCDF Loan accrued interest, then to current interest and principal and shall continue until the sale of the Development or refinancing of the Mortgage Loan, at which time all Authority subordinate loans shall be due in full.
- Upon payment in full of both the Tax-Exempt Mortgage Loan and the HOME-ARP Loan, the HCDF Loan including accrued interest, will become the new first mortgage loan and monthly payments equal to the payments made under the original Tax-Exempt Mortgage Loan along with payments of fifty percent (50%) of any surplus cash available for distribution shall be deposited into an HCDF/HOME-ARP/CERA Subsidy Reserve and will be used to repay the CERA Loan periodically, if the amount of funds accumulated in the reserve warrant it, or at the end of the loan term, or otherwise used to assist the Development if needed and approved in the sole discretion of the Director of Asset Management. If reserve funds are used toward loan repayment, they shall be applied first to accrued interest, then to current interest and principal and shall continue until the sale of the Development, at which time the HCDF and CERA Loans shall be due in full.

The entire principal balance and any accrued interest of the HCDF/HOME-ARP/CERA Loans will be due and payable after 50 years.

Notwithstanding the foregoing, in the event of any sale or refinance of the Development, the HCDF/HOME-ARP/CERA Loan will be due and payable at that time.

9. Architectural Plans and Specifications; Contractor's Qualification Statement:

Prior to Mortgage Loan Commitment, the architect must submit architectural drawings and specifications that address all design review comments, acceptable to the Authority's Chief Architect and the Director of Development.

Prior to Mortgage Loan Commitment, the general contractor must submit AIA Document A305 as required by the Authority's Chief Architect.

10. Owner/Architect Agreement:

Prior to Mortgage Loan Commitment, the Mortgagor must provide the Authority with an executed Owner Architect Agreement acceptable in form and substance to the Director of Legal Affairs.

11. Trade Payment Breakdown:

Prior to Mortgage Loan Commitment, the general contractor must submit a signed Trade Payment Breakdown acceptable to the Authority's Design and Construction Manager.

12. Section 3 Requirements:

Prior to Mortgage Loan Commitment, the general contractor must agree to comply with all federal Section 3 hiring requirements. The general contractor must provide a copy of the contractor's "Section 3 Hiring Plan" which must be reviewed and found acceptable to the Authority's Section 3 Compliance Officer. In addition, the general contractor must agree to adhere to follow-up reporting requirements as established by the Authority.

13. Equal Opportunity and Fair Housing:

Prior to Mortgage Loan Commitment, the management and marketing agent's Affirmative Fair Housing Marketing Plan must be reviewed and found acceptable to the Authority's Equal Employment Officer for Fair Housing Requirements.

In addition, prior to Mortgage Loan Commitment, the general contractor's Equal Employment Opportunity Plan must be reviewed and found acceptable to the Authority's Equal Employment Officer.

14. Cost Certification:

The contractor's cost certification must be submitted within 90 days following the completion of construction, and the Mortgagor's cost certification must be submitted within 90 days following the Mortgage Cut-off Date. For LIHTC, the owner is obligated to submit cost certifications applicable to itself and the contractor prior to issuance of IRS form 8609 (see LIHTC Program Cost Certification Guidelines).

15. Environmental Review and Indemnification:

Prior to Mortgage Loan Commitment, the Mortgagor must address any outstanding environmental issues, in form and substance acceptable to the Authority's Environmental Review Officer.

At Initial Closing, the Mortgagor must enter an agreement to indemnify the Authority for any loss, damage, liability, claim, or expense which it incurs as a result of any violation of environmental laws. The indemnification agreement must be acceptable to the Director of Legal Affairs.

16. Title Insurance Commitment and Survey:

Prior to Mortgage Loan Commitment, the Mortgagor must provide an updated title insurance commitment, including zoning, pending disbursement, comprehensive, survey and such other endorsements as deemed necessary by the Authority's Director of Legal Affairs. The updated title commitment must contain only exceptions to the insurance acceptable to the Authority's Director of Legal Affairs.

Additionally, prior to Mortgage Loan Commitment, the Mortgagor must provide a surveyor's certificate of facts together with an ALTA survey certified to the 2021 minimum standards, and that appropriately reflects all easements, rights of way, and other issues noted on the title insurance commitment. All documents must be acceptable to the Director of Legal Affairs.

17. Organizational Documents/Equity Pay-In Schedule:

Prior to Mortgage Loan Commitment, the Mortgagor must submit a substantially final form syndication operating agreement, including an equity pay-in schedule, that is acceptable in form and substance to the Director of Development and Director of Legal Affairs.

At or prior to Initial Closing, the final, executed syndication operating agreement must become effective, and the initial installment of equity must be paid in an amount approved by the Director of Development.

18. Designation of Authority Funds:

The Authority reserves the express right, in its sole discretion, to substitute alternate subordinate funding sources.

19. Management & Marketing:

Prior to Mortgage Loan Commitment, the management and marketing agent must submit the following documents, which must be found acceptable to the Director of Asset Management:

- a. Management Agreement
- b. Marketing Addendum

20. Guaranties:

At Initial Closing, the Sponsor, General Partner, and any entity receiving a developer fee in connection with the Development must deliver certain guaranties. The required guaranties include a guaranty of HOME-ARP, an operating deficit guaranty and a performance completion guaranty. The required guaranties, the terms thereof and the parties who shall be required to deliver the guaranty must be determined and approved by the Authority's Director of Development.

21. Financial Statements:

Prior to Mortgage Loan Commitment, financial statements for the Sponsor, the guarantor(s) and the general contractor must be reviewed and found acceptable by the Authority's Chief Financial Officer.

If prior to Initial Closing the financial statements that were approved by the Authority become more than six months old, the Sponsor, the guarantor(s) and/or the general contractor must provide the Authority with updated financial statements meeting Authority requirements upon request.

22. Future Contributions:

To ensure the Authority is contributing the least amount of funding necessary to achieve project feasibility, any decrease in Development costs or future contributions not included in the Development proforma may, at the Authority's discretion, be utilized to reduce, in equal proportions, any deferred developer fee and Authority soft funds.

23. Ownership of Development Reserves:

At the Initial Closing, the Mortgagor must enter into an agreement confirming the Authority's ultimate ownership of excess cash reserves, escrows and accounts as may exist at the time the Authority's mortgage loans are paid off or the Development is sold or refinanced. This agreement must be acceptable to the Authority's Director of Legal Affairs.

24. AHAP Contract:

Prior to Initial Closing, the Authority and the Mortgagor must enter into an Agreement to enter into a Housing Assistance Payment (AHAP) contract. The AHAP must be acceptable to the Authority's Director of Development. Once construction is complete, and the Authority's and Owner's final completion signoffs have been accepted, and the units pass HUD's Housing Quality Standards inspection, a Housing Assistance Payments (HAP) Contract will be prepared and executed.

25. Services for Residents:

52 of the units in the Development will be designated as Permanent Supportive Housing (PSH) units and must be marketed to youth at risk of homelessness primarily those that are aging out of Michigan's Foster Care System, as defined in the Authority's Addendum III. At or prior to Initial Closing, the Mortgagor must enter into an MOU with local service providers and a Supportive Services Agreement to provide support services as described in Addendum III for these tenants for so long as the Mortgagor receives assistance under the HAP contract. The agreement must be acceptable to the Director of Legal Affairs. The cost

of these services must be paid from other than loan proceeds, Development operating income and residual receipts.

26. HUD Authority to Use Grant Funds:

Prior to Mortgage Loan Commitment, the Authority must receive HUD's Authority to Use Grant Funds (HUD 7015.16) in connection with the proposed HOME Loan from the Authority or confirmation that the Development is categorically excluded from NEPA review.

27. HUD Subsidy Layering Review:

Prior to Initial Closing, the subsidy layering review must be performed by Authority staff and must be submitted to HUD for approval. The subsidy layering approval is subject to review and approval by the Authority's Director of Development.

28. Application for Disbursement:

Prior to Initial Closing, the Mortgagor must submit an "Application for Disbursement" along with supporting documentation, which must be found acceptable to the Authority's Director of Development.

29. Davis-Bacon and Cross-cutting Federal Requirements: The general contractor will be required to comply with all federal prevailing wage requirements, the requirements of the Davis-Bacon and Related Acts, and other applicable federal regulations as required under the terms of the Housing Choice Voucher Program.

Special Conditions:

1. Legal Requirements:

The Mortgagor and/or Sponsor must submit documentation acceptable to the Authority's Director of Legal Affairs for the items listed below:

- Prior to Initial Closing, the Michigan Attorney General's Office must complete its review of the transaction and provide the Director of Legal Affairs its recommendation.
- Any other documentation as required by the Director of Legal Affairs, including acceptable evidence of insurance, permits, licenses, zoning approvals, utility availability, payment and performance bonds and other closing requirements.
It is recommended that The Sanctuary at Brewster be conditionally approved and submitted to Board for Conditional Approval with the following conditions:

Prior to MSHDA submittal for AG review the following items must be completed:

- a. Recordation of a Quit Claim Deed from City of Detroit to MHT Housing, Inc.
- b. Council approval and recordation of an Amended and Restated Agreement to Purchase and Develop Land (the "Development Agreement") between City of Detroit and MHT Housing, Inc.
- c. Parent Parcel Split and MSHDA approved survey of The Sanctuary at Brewster parcel.
- d. Recordation of a release of any HUD Declaration of Trust encumbering the property within

the boundaries of The Sanctuary at Brewster parcel.

- e. Delivery of a proforma loan title insurance policy with MSHDA endorsements consistent with items a. thru d. above.

Prior to conversion of the Construction Loan to a Permanent Loan the following conditions must be met.

- a. City of Detroit, per the Development Agreement, must have issued a Certificate of Completion for The Sanctuary at Brewster.
- b. City of Detroit, per the Development Agreement, must either (i) release the City of Detroit required Performance and Completion Bond as it relates to The Sanctuary at Brewster or (ii) reduce such bond in an amount proportionate to the completion of The Sanctuary at Brewster, in the event such bond covers more work than The Sanctuary at Brewster.

2. PILOT Obtained Post-Commitment:

The Development has been underwritten with a 4% PILOT indicating support from the municipality. Before Initial Closing, an amended PILOT ordinance acceptable in language, form and substance to the Authority's Director of Legal Affairs must be provided. If the Development does not obtain a PILOT as described above, the Development must be re-underwritten and if feasible, presented to the Board. If the Development obtains a PILOT representing a lower PILOT payment amount, any savings generated by the PILOT may be applied, at the sole discretion of an Authorized Officer of the Authority, to reduce one or all of the Authority's subordinate loans or be applied against any other obligation that the Mortgagor owes the Authority with any remainder deposited in the Development's Operating Reserve Cash account.

3. City Loan:

Prior to Mortgage Loan Commitment, the Mortgagor must submit substantially final documents evidencing the City Loan and a funding schedule acceptable to the Authority's Director of Legal Affairs and Director of Development.

At or prior to Initial Closing, the final, executed City Loan documents must become effective and initial funding of the loan must be made in an amount approved by the Director of Development and a Subordination and Intercreditor Agreement acceptable to the Authority's Director of Legal Affairs must be entered into by MSHDA and the City of Detroit.

4. Syndicator Reserve:

The Mortgagor shall fund a syndicator held reserve ("Syndicator Reserve") with a one-time deposit in the amount of \$359,511 paid from equity proceeds according to the terms of the Mortgagor's operating agreement. The Syndicator Reserve shall be controlled by the syndicator. The purpose of this reserve will be to fund potential operating deficits.

5. Sponsor Loan:

Prior to Mortgage Loan Commitment, the Mortgagor must submit substantially final

documents evidencing the Sponsor loan acceptable to the Authority's Director of Legal Affairs and Director of Development. The Sponsor loan must:

- a) not be secured by a lien on the Development or any of the Development's property, funds, or assets of any kind;
- b) be payable solely from approved Limited Dividend payments, and not from other development funds;
- c) be expressly subordinate to all Authority mortgage loans; and
- d) have a loan term not less than the longest term of all Authority mortgage loans.

At or prior to Initial Closing, the final, executed Sponsor loan documents must become effective and initial funding of the loan must be made in an amount approved by the Director of Development.

DEVELOPMENT TEAM AND SITE INFORMATION

I. MORTGAGOR: The Sanctuary Brewster LDHA, LLC

II. GUARANTORS:

Guarantor #1:

Name: MHT Housing, Inc.
Address: 32500 Telegraph Road, Suite 100
Bingham Farms, MI 48025

Guarantor #2:

Name: Kirstens Touch, Inc. (Bishop Charles H. Ellis III)
Address: 22340 W Seven Mile Road
Detroit, MI 48219

III. DEVELOPMENT TEAM ANALYSIS:

A. Sponsor:

Name: MHT Housing, Inc.
Address: 35200 Telegraph Road, Suite 100
Bingham Farms, MI 48025

Individuals Assigned: T. Van Fox
Telephone: 248-833-0550
Fax: 248-833-0551
E-mail: Vanfox@mhthousing.net

- 1. **Experience:** The Sponsor has experience working on Authority-financed developments.
- 2. **Interest in the Mortgagor and Members:** Managing Member (SB MM, LLC) = 0.01%, Investor Member (Cinnaire entity TBD) = 99.99%

B. Architect:

Name: Concept Design Studio, Inc
Address: 800 East Ellis Road
Norton Shores, MI 49441

Individual Assigned: Kyle Osterhart
Telephone: 231-799-4838
Fax: Not Provided
E-Mail: kyleosterhart@conceptdesignstudio.net

1. **Experience:** Architect has previous experience with Authority-financed developments.
2. **Architect's License:** License number 1301060114, exp. 4/26/2024.

C. Attorney:

Name: Applegate & Thorne-Thomsen, PC
Address: 425 South Financial Place, Suite 1900
Chicago, IL 60605

Individual Assigned: Andrew Massmann
Telephone: 312-491-4433
Fax: Not Provided
E-Mail: amassman@att-law.com

1. **Experience:** This firm has experience in closing Authority-financed developments.

D. Builder:

Name: MHT Construction, LLC
Address: 35200 Telegraph Road, Suite 100
Bingham Farms, MI 48025

Individual Assigned: Don Day
Telephone: 248-833-0550
Fax: 248-833-0551
E-mail: Dday@mhtconstruction.net

1. **Experience:** The firm has previous experience in constructing Authority-financed developments.
2. **State Licensing Board Registration:** License number 2102217229, with an expiration date of 5/31/2026

E. Management and Marketing Agent:

Name: MHT Management, LLC
Address: 32500 Telegraph Road, Suite 100
Bingham Farms, MI 48025

Individual Assigned: T Van Fox
Telephone: 248-833-0550
Fax: 248-833-0551
E-mail: vanfox@mhthousing.net

1. **Experience:** This firm has significant experience managing Authority-financed developments.

F. Development Team Recommendation: Go

IV. SITE DATA:

A. Land Control/Purchase Price:
\$, 1,710,000

B. Site Location: 2900 St Antoine Street, Detroit, Wayne County

C. Size of Site:
Approximately 1 acre

D. Density:
Deemed appropriate.

E. Physical Description:

1. Present Use: Vacant
2. Existing Structures: No
3. Relocation Requirements: NA

F. Zoning:
Deemed appropriate.

G. Contiguous Land Use:

1. North: Residential
2. South: Vacant
3. East: I-75
4. West: Vacant

H. Tax Information:

A 4% PILOT is expected to be approved prior to closing.

I. Utilities: Gas and Electric is DTE, City of Detroit providing water and sewer

J. Community Facilities:

1. Shopping:
 Located near Eastern Market.
2. Recreation:
 Multiple parks are available in the Detroit Metro area.
3. Public Transportation:
 There are a number of bus stops on Mack Avenue which is north of site.
4. Road Systems
 Just west of I-75, St Antoine on the west side of site, Wilkins Street on the North, Chrysler Drive to the East and Alfred Street on the south side.
5. Medical Services and other Nearby Amenities:
 There are multiple medical facilities near the site.
6. Description of Surrounding Neighborhood:
 Residential
7. Local Community Expenditures Apparent:
 Nonapparent.
8. Indication of Local Support:
 Site approval.

V. ENVIRONMENTAL FACTORS:

A Phase I Environmental Site Assessment was submitted to the Authority and has been reviewed by the Authority's Environmental Manager. (See Standard Condition No. 15).

VI. DESIGN AND COSTING STATUS:

Architectural plans and specifications consistent with the scope of work have been reviewed by the Chief Architect. A response to all design review comments and the submission of corrected and final plans and specifications must be made prior to initial closing.

This proposal will satisfy the State of Michigan barrier-free requirements, the Authority's policy regarding accessibility and non-discrimination for the disabled, the Fair Housing Amendments Act of 1988, and the HOME requirements for barrier-free vision and hearing designed units. Construction documents must be acceptable to the Authority's Chief Architect.

VII. MARKET SUMMARY:

The Market study has been reviewed by the Authority's Chief Market Analyst and found to be acceptable. The Authority's Chief Market Analyst has reviewed and approved the unit mix, rental structure, and unit amenities.

VIII. EQUAL OPPORTUNITY AND FAIR HOUSING:

The contractor's Equal Employment Opportunity Plan is currently being reviewed and must be approved by the Authority's Design and Construction Manager prior to initial closing. The management and marketing agent's Affirmative Fair Housing Marketing Plan has been approved.

IX. MANAGEMENT AND MARKETING:

The management/marketing agent has submitted application-level management and marketing information, to be approved prior to initial closing by the Authority's Director of Asset Management.

X. FINANCIAL STATEMENTS:

The sponsor's/guarantor's and the builder's financial statements have been submitted and are to be approved prior to initial closing by the Authority's Director of Rental Development.

XI. DEVELOPMENT SCHEDULING:

A. Mortgage Loan Commitment:	February 2024
B. Initial Closing and Disbursement:	May 2024
C. Construction Completion:	July 2025
D. Cut-Off Date:	January 2026

XII. ATTACHMENTS:

- A. Development Proforma**

APPROVALS:

Chad A. Benson

02/08/2024

Chad Benson
Director of Development

Date

Clarence L. Stone, Jr.

2/7/2024

Clarence L. Stone, Jr.
Director of Legal Affairs

Date

Amy Hovey

2/8/2024

Amy Hovey
Chief Executive Officer and Executive Director

Date

Instructions

TOTAL DEVELOPMENT COSTS	Per Unit	Total	% in Basis	Included in Tax Credit Basis	Included in Historic TC Basis
Acquisition					
Land	32,885	1,710,000	0%	0	0
Existing Buildings	0	0	100%	0	0
Other:	0	0	0%	0	0
Subtotal	32,885	1,710,000			
Construction/Rehabilitation					
Off Site Improvements	0	0	100%	0	0
On-site Improvements	21,154	1,100,000	100%	1,100,000	0
Landscaping and Irrigation	0	0	100%	0	0
Structures	198,077	10,300,000	100%	10,300,000	10,300,000
Community Building and/or Maintenance Facility	0	0	100%	0	0
Construction not in Tax Credit basis (i.e. Carports and Commercial Space)	0	0	0%	0	0
General Requirements % of Contract 6.00%	13,154	684,000	100%	684,000	684,000
Builder Overhead % of Contract 2.00%	4,648	241,680	100%	241,680	241,680
Builder Profit % of Contract 6.00%	14,222	739,541	100%	739,541	739,541
Bond Premium, Tap Fees, Cost Cert.	2,266	117,816	100%	117,816	117,816
Other:	0	0	100%	0	0
Subtotal	253,520	13,183,037			
Professional Fees					
Design Architect Fees	5,288	275,000	100%	275,000	275,000
Supervisory Architect Fees	1,923	100,000	100%	100,000	100,000
Engineering/Survey	1,442	75,000	100%	75,000	75,000
Legal Fees	2,404	125,000	100%	125,000	125,000
Subtotal	11,058	575,000			
Interim Construction Costs					
Property & Casualty Insurance	1,154	60,000	100%	60,000	60,000
Construction Loan Interest	12,540	652,076	71%	462,974	462,974
Title Work	1,442	75,000	100%	75,000	0
Construction Taxes	1,154	60,000	100%	60,000	60,000
Permits	2,885	150,000	100%	150,000	150,000
Subtotal	19,175	997,076			
Permanent Financing					
Loan Commitment Fee to MSHDA	6,659	346,285	2%	0	0
Other:	0	0	0%	0	0
Subtotal	6,659	346,285			
Other Costs (In Basis)					
Application Fee	38	2,000	100%	2,000	2,000
Market Study	135	7,000	100%	7,000	7,000
Environmental Studies	3,846	200,000	100%	200,000	200,000
Cost Certification	385	20,000	100%	20,000	20,000
Equipment and Furnishings	10,846	564,000	100%	564,000	0
Temporary Tenant Relocation	0	0	100%	0	0
Construction Contingency	12,676	659,152	100%	659,152	659,152
Appraisal and C.N.A.	288	15,000	100%	15,000	15,000
Other: Unit Furniture	0	0	100%	0	0
Subtotal	28,214	1,467,152			
Other Start-up and Organization					
Tax Credit Fees (based on 2022 QAP)	63,630	63,630	0%	0	0
Compliance Monitoring Fee (based on 2022 QAP)	475	24,700	0%	0	0
Marketing Expense	962	50,000	0%	0	0
Syndication Legal Fees	0	0	0%	0	0
Rent Up Allowance	2,428	126,247	6.0 months	0	0
Other:	0	0	0%	0	0
Subtotal	6,146	319,577			

TOTAL DEVELOPMENT COSTS	Per Unit	Total	% in Basis	Included in Tax Credit Basis	Included in Historic TC Basis
Project Reserves					
Operating Assurance Reserv	3,926	204,174	4.0 months	Funded in Cas	0
Replacement Reserve	0	0	0%	Not Required	0
Operating Deficit Reserve	0	0	0%	0	0
Rent Subsidy Reserve	0	0	0%	0	0
Syndicator Held Reserve	6,914	359,511	0%	0	0
Rent Lag Escrow	0	0	0%	0	0
Tax and Insurance Escrows	0	0	0%	0	0
Other:	0	0	0%	0	0
Other:	0	0	0%	0	0
Subtotal	10,840	563,685			
Miscellaneous					
Deposit to Development Operating Account (1MGRP)	0	0	0%	Not Required	0
Other (Not in Basis):	0	0	0%	0	0
Other (In Basis):	0	0	100%	0	0
Other (In Basis):	0	0	100%	0	0
Subtotal	0	0			
Total Acquisition Costs					
	32,885	1,710,000			
Total Construction Hard Costs					
	253,520	13,183,037			
Total Non-Construction ("Soft") Costs					
	82,092	4,268,775			
Developer Overhead and Fee					
Maximum	2,703,745	40,385	2,100,000	2,100,000	100%
7.5% of Acquisition/Project Reserves		Override	5%	Attribution Test	
15% of All Other Development Costs		2,100,000		met	
Total Development Cost	408,881	21,261,812			

TOTAL DEVELOPMENT COSTS	Per Unit	Total	% in Basis	Included in Tax Credit Basis	Included in Historic TC Basis
OAR					
Funded Yr 1	204,174	204,174			
4 Month OAR	204,174	204,174			
LIHTC Basis					
	18,133,163	18,133,163			
Historic Basis					
	16,394,163	16,394,163			
Aggregate Basis					
	19,843,163	19,843,163			

TOTAL DEVELOPMENT SOURCES		% of TDC	Total	Subtotal
MSHDA Permanent Mortgage	13.95%	57,031	2,965,618	
Conventional/Other Mortgage	0.00%	0	0	
Equity Contribution From Tax Credit Syndication	38.93%	159,193	8,278,049	
MSHDA NSP Funds	0.00%	0	0	
MSHDA HOME	0.00%	0	0	
MSHDA Mortgage Resource Funds	0.00%	0	0	
MSHDA TCAP	0.00%	0	0	
MSHDA Housing Trust Funds	0.00%	0	0	
MSHDA CERA	11.04%	45,129	2,346,685	
MSHDA HOME-ARP	14.67%	59,991	3,119,545	
MSHDA HCDF	3.72%	15,228	791,868	
Local HOME	14.11%	57,692	3,000,000	
Income from Operations	0.12%	482	25,047	
Other Equity	0.00%	0	0	
Transferred Reserves:	0.00%	0	0	
Other:	0.00%	0	0	
Other: Sponsor Loan	0.96%	3,942	205,000	
Deferred Developer Fee	2.49%	10,192	530,000	
Total Permanent Sources			21,261,812	
Sources Equal Uses?				
Surplus/(Gap)			Balanced	0
MSHDA Construction Loan				
Construction Loan Rate	6.625%		212,618	11,056,142
Repaid from equity prior to final closing				8,090,524

Existing Reserve Analysis		Home Subsidy Limit		HOME Unit Mix		HTF Unit Mix	
DCE Interest:		Current Owner's Reserves:		16 One Bedroc	0	One Bedroom,	1 Bath, 1
Insurance:		Reserves Transferred in to Project					
Taxes:		Tax/Ins Escrows transferred to project					
Rep. Reserve:							
ORC:							
DCE Principal:							
Other:							
Deferred Dev Fee		25.24%					

Summary of Acquisition Price		As of	
Attributed to Land	1,710,000	1st Mortgage Balance	
Attributed to Existing Structure	0	Subordinate Mortgage(s)	
Other:	0	Subordinate Mortgage(s)	
Fixed Price to Seller	1,710,000	Subordinate Mortgage(s)	
Premium/(Deficit) vs Existing Debt		1,710,000	

Construction Loan Term	
Construction Contract	Months 15
Holding Period (50% Test)	6
Rent Up Period	21
Construction Loan Period	

Eligible Basis for LIHTC/TCAP	
Acquisition	0
Construction	23,573,112
Acquisition Credit %	4.00%
Rehab/New Const Credit %	4.00%
Qualified Percentage	100.00%
QCT/DDA Basis Boost	130%
Historic?	

Value of LIHTC/TCAP	
Acquisition	0
Construction	942,924
Total Yr Credit	942,924
Equity Price	\$0.8780
Equity Effective Price	\$0.8780
Equity Contribution	8,278,049

Appraised Value	
"Encumbered As-Is" value as determined by appraisal:	September 12, 2023
Plus 5% of Appraised Value:	1,710,000
LESS Fixed Price to the Seller:	1,710,000
Surplus/(Gap)	0

Initial Owner's Equity Calculation	
Equity Contribution from Tax Credit Syndication	8,278,049
Brownfield Equity	
Historic Tax Credit Equity	
General Partner Capital Contributions	
Other Equity Sources	
New Owner's Equity	8,278,049

Development **The Sanctuary at Brewster**
 Financing **Tax Exempt**
 MSHDA No. **4122**
 Step **Commitment**
 Date **02/15/2024**
 Type **New Construction**

Mortgage Assumptions:
 Debt Coverage Ratio **1.2**
 Mortgage Interest Rate **6.625%**
 Pay Rate **6.625%**
 Mortgage Term **40 years**
 Income from Operations **No**

Instructions

Total Development Income Potential

	Per Unit	Total
Annual Rental Income	12,564	653,328
Annual Non-Rental Income	29	1,500
Total Project Revenue	12,593	654,828

Total Development Expenses

Vacancy Loss	8.00% of annual rent potential	1,005	52,266
Management Fee	634 per unit per year	634	32,968
Administration		1,570	81,640
Project-paid Fuel		200	10,400
Common Electricity		700	36,400
Water and Sewer		600	31,200
Operating and Maintenance		1,575	81,900
Real Estate Taxes		0	
Payment in Lieu of Taxes (PILOT)	4.00% Applied to: All Units	402	20,922
Insurance		675	35,100
Replacement Reserve	350 per unit per year	350	18,200
Other:		0	
Other:		0	

Initial Inflation Factor	Beginning in Year	Future Inflation Factor
1.0%	6	2.0%
1.0%	6	2.0%
Future Vacancy		
	6	5.0%
3.0%	1	3.0%
3.0%	1	3.0%
3.0%	6	3.0%
4.0%	6	3.0%
5.0%	6	5.0%
3.0%	1	3.0%
5.0%	1	5.0%
3.0%	1	3.0%
3.0%	1	3.0%
3.0%	1	3.0%

% of Revenue

Total Expenses	61.24%	7,711	400,997
Base Net Operating Income		4,881	253,831
Part A Mortgage Payment	32.30%	4,068	211,526
Part A Mortgage		57,031	2,965,618
Non MSHDA Financing Mortgage Payment		0	
Non MSHDA Financing Type:		0	
Base Project Cash Flow (excludes ODR)	6.46%	814	42,305

Override
211,526

Development The Sanctuary at Brewster
Financing Tax Exempt
MSHDA No. 4122
Step Commitment
Date 02/15/2024
Type New Construction

Instructions

Income Limits for	Wayne County (Effective May 15, 2023)					
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person
30% of area median	19,890	22,740	25,590	28,410	30,690	32,970
40% of area median	26,520	30,320	34,120	37,880	40,920	43,960
50% of area median	33,150	37,900	42,650	47,350	51,150	54,950
60% of area median	39,780	45,480	51,180	56,820	61,380	65,940

Rental Income

Unit	No. of Units	Unit Type	Bedrooms	Baths	Net Sq. Ft.	Contract Rent	Utilities	Total Housing Expense	Gross Rent	Current Section 8 Contract Rent	% of Gross Rent	% of Total Units	Gross Square Feet	% of Total Square Feet	TC Units Square Feet	Unit Type	Max Allowed Housing Expense	
60%	<u>Area Median Income Units</u>																	
30%	<u>Tenant AMI Restriction (if different from rent restriction)</u>																	
Yes	<u>MSHDA Project Based Voucher Units</u>																	
Family	<u>Occupancy</u>																	
A	36	Apartment	1	1.0	610	1,047	0	1,047	452,304		69.2%	69.2%	21,960	69.2%	21,960		1,065	
									452,304	0	69.2%	69.2%	21,960	69.2%	21,960			
50%	<u>Area Median Income Units</u>																	
30%	<u>Tenant AMI Restriction (if different from rent restriction)</u>																	
Yes	<u>MSHDA Project Based Voucher Units</u>																	
Family	<u>Occupancy</u>																	
A	8	Apartment	1	1.0	610	1,047	0	1,047	100,512	0	15.4%	15.4%	4,880	15.4%	4,880	Low HOME	888	
									100,512	0	15.4%	15.4%	4,880	15.4%	4,880			
30%	<u>Area Median Income Units</u>																	
30%	<u>Tenant AMI Restriction (if different from rent restriction)</u>																	
Yes	<u>MSHDA Project Based Voucher Units</u>																	
Family	<u>Occupancy</u>																	
A	6	Apartment	1	1.0	610	1,047	0	1,047	75,384	0	11.5%	11.5%	3,660	11.5%	3,660	CERA	532	
									75,384	0	11.5%	11.5%	3,660	11.5%	3,660			
30%	<u>Area Median Income Units</u>																	
30%	<u>Tenant AMI Restriction (if different from rent restriction)</u>																	
Yes	<u>MSHDA Project Based Voucher Units</u>																	
Family	<u>Occupancy</u>																	
A	2	Apartment	1	1.0	610	1,047	0	1,047	25,128	0	3.8%	3.8%	1,220	3.8%	1,220	HCDF	532	
Mgrs									0	0	0.0%	0.0%	0	0.0%	0			

Total Revenue Units **52**
 Manager Units **0**
 Income Average 53.85%
 Set Aside 100.00%

Gross Rent Potential	653,328
Average Monthly Rent	1,047
Gross Square Footage	31,720

HOME Units SF/Total Units SF 15.4% **Within Range**
 # HOME Units/# Total Units 15.4% **Within Range**

Utility Allowances

	Owner-Paid	Owner-Paid	Owner-Paid	Owner-Paid	Owner-Paid	Total	Override
	Electricity	A/C	Gas	Water/Sewer	Other		
A						0	
B						0	
C						0	
D						0	
E						0	
F						0	
G						0	
H						0	

Annual Non-Rental Income

Misc. and Interest	1,500
Laundry	
Carports	
Other:	
Other:	
	1,500

Total Income	Annual	Monthly
Rental Income	653,328	54,444
Non-Rental Income	1,500	125
Total Project Revenue	654,828	54,569

DRAFT

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

**RESOLUTION DETERMINING MORTGAGE LOAN FEASIBILITY
THE SANCTUARY AT BREWSTER, MSHDA DEVELOPMENT NO. 4122
CITY OF DETROIT, WAYNE COUNTY**

February 15, 2024

WHEREAS, the Michigan State Housing Development Authority (the "Authority") is authorized under the provisions of Act No. 346 of the Public Acts of 1966 of the State of Michigan, as amended (the "Act"), to make mortgage loans to qualified non-profit housing corporations, consumer housing cooperatives and limited dividend housing corporations and associations; and

WHEREAS, an application for Mortgage Loan Feasibility has been filed with the Authority by The Sanctuary Brewster Limited Dividend Housing Association, LLC (the "Applicant") for a multifamily housing project to be located in the City of Detroit, Wayne County, Michigan, having a total development cost of Twenty-One Million Two Hundred Sixty-One Thousand Eight Hundred Twelve Dollars (\$21,261,812), with a total estimated maximum mortgage loan (the "Mortgage Loan") amount of Eleven Million Fifty-Six Thousand One Hundred Forty-Two Dollars (\$11,056,142); and

WHEREAS, through Section 3205 of the American Rescue Plan Act of 2021 (P.L. 117-2) ("HOME-ARP"), Congress authorized the use of HOME-ARP funds to provide housing, shelter, and services to specific qualifying populations, including addressing the need for homelessness assistance and supportive services; and

WHEREAS, the Authority was allocated Sixty-Three Million Seven Hundred Ninety-Three Thousand Six Hundred Eighty-One Dollars (\$63,793,681) of HOME-ARP funds, of which Forty-Three Million Two Hundred Ninety-Three Thousand Six Hundred Eighty-One Dollars (\$43,293,681) was dedicated to HOME-ARP affordable housing development; and

WHEREAS, Applicant filed a Permanent Supportive Housing ("PSH") Gap Financing Program Application for an Authority HOME-ARP loan (the "HOME-ARP Loan") in the amount of Three Million One Hundred Nineteen Thousand Five Hundred Forty-Five Dollars (\$3,119,545); and

WHEREAS, through Section 3201 of the American Rescue Plan Act of 2021 (P.L. 117-2), Congress authorized the use of Twenty-One Billion Five Hundred Fifty Million Dollars (\$21,550,000,000) for emergency rental assistance; and

WHEREAS, the Authority was allocated One Billion One Hundred Thousand Dollars (\$1,100,000,000) in COVID Emergency Rental Assistance ("CERA") to be used directly on rental and utility assistance for individuals and families financially impacted by the pandemic; and

WHEREAS, the Authority reallocated up to Forty Million Dollars (\$40,000,000) of CERA funds to be used for PSH Gap Financing Program loans; and

WHEREAS, the Applicant filed a PSH Gap Financing Program Application for an Authority CERA loan (the "CERA Loan") in the amount of Two Million Three Hundred Forty-Six Thousand Six Hundred Eighty-Five Dollars (\$2,346,685); and

WHEREAS, the provisions of Act 346 of 1966, Part 125.1458a Michigan Housing and Community Development Fund (“HCDF”) charge the Authority with creating and implementing the Michigan Housing and Community Development Fund Program (“HCDF Program”) for the purpose of developing and coordinating public and private resources to meet the affordable housing needs of low income, very low income, and extremely low income households and to revitalize downtown areas and adjacent neighborhoods in Michigan; and

WHEREAS, Michigan Public Act 4 of 2023 dedicated Fifty Million (\$50,000,000) a year for the Housing and Community Development Fund (“HCDF”); and

WHEREAS, the Authority recognizes a need for PSH exists throughout the state and has made HCDF funds available through the PSH Gap Financing Program to be used in conjunction with Tax-Exempt Bond Financing through the Authority’s Direct Lending Program, 4% Low-Income Housing Tax Credits (“LIHTC”) and HOME-ARP funds to maximize leverage of funds; and

WHEREAS, Applicant filed a PSH Gap Financing Program Application for an Authority HCDF loan (the “HCDF Loan”) in the amount of Seven Hundred Ninety-One Thousand Eight Hundred Sixty-Eight Dollars (\$791,868); and

WHEREAS hereinafter collectively the Mortgage Loan, Home-ARP Loan, CERA Loan, and HCDF Loan shall be known to as the "Application"; and

WHEREAS, the Chief Executive Officer and Executive Director has forwarded to the Authority her analysis of the Application and her recommendations with respect thereto; and

WHEREAS, the Authority has considered the Application in the light of the Authority's project mortgage loan feasibility evaluation factors.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority as follows:

1. The following determinations be and they hereby are made:
 - a. The proposed housing project will provide housing for persons of low and moderate income and will serve and improve the residential area in which Authority-financed housing is located or is planned to be located, thereby enhancing the viability of such housing.
 - b. The Applicant is reasonably expected to be able to achieve successful completion of the proposed housing project.
 - c. The proposed housing project will meet a social need in the area in which it is to be located.
 - d. The proposed housing project is a feasible housing project.

- e. The Authority expects to allocate to the financing of the proposed housing project proceeds of its tax-exempt bonds issued or to be issued for multifamily housing projects a maximum principal amount not to exceed Thirteen Million Fifty Thousand Dollars (\$13,050,000).

2. The proposed housing project be and it is hereby determined to be feasible on the terms and conditions set forth in the Mortgage Loan Feasibility/Commitment Report of the Authority Staff presented to the meeting, subject to any and all applicable determinations and evaluations issued or made with respect to the proposed housing project by other governmental agencies or instrumentalities or other entities concerning the effects of the proposed housing project on the environment as evaluated pursuant to the federal National Environmental Policy Act of 1969, as amended, and the regulations issued pursuant thereto as set forth in 24 CFR Part 58.

3. The determination of feasibility is based on the information obtained from the Applicant and the assumption that all factors necessary for the successful construction and operation of the proposed project shall not change in any materially adverse respect prior to the closing. If the information provided by the Applicant is discovered to be materially inaccurate or misleading, or any factors necessary for the successful construction and operation of the proposed project change in any materially adverse respect, this feasibility determination resolution may, at the option of the Chief Executive Officer and Executive Director, the Chief Housing Investment Officer, the Director of Legal Affairs, the Deputy Director of Legal Affairs, the Chief Financial Officer, the Deputy Director of Finance or any person duly authorized to act in any of the foregoing capacities (each an "Authorized Officer"), be immediately rescinded.

4. Neither this determination of feasibility nor the execution prior to closing of any documents requested to facilitate processing of a proposed mortgage loan to be used in connection therewith constitutes a promise or covenant by the Authority that it will make a Mortgage Loan to the Applicant.

5. This determination of Mortgage Loan Feasibility is conditioned upon the availability of financing to the Authority. The Authority does not covenant that funds are or will be available for the financing of the subject proposed housing development.

6. The Mortgage Loan Feasibility determination is subject to the specific conditions and requirements set forth in the Mortgage Loan Feasibility/Commitment Staff Report dated February 15, 2024, which conditions and requirements are hereby incorporated by reference as if fully set forth herein.

DRAFT

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

**RESOLUTION AUTHORIZING MORTGAGE LOAN
THE SANCTUARY AT BREWSTER, MSHDA DEVELOPMENT NO. 4122
CITY OF DETROIT, WAYNE COUNTY**

February 15, 2024

WHEREAS, the Michigan State Housing Development Authority (the "Authority") is authorized, under the provisions of Act No. 346 of the Public Acts of 1966 of the State of Michigan, as amended (hereinafter referred to as the "Act"), to make mortgage loans to qualified nonprofit housing corporations, consumer housing cooperatives, limited dividend housing corporations and associations and certain qualified individuals; and

WHEREAS, an application (the "Application") has been filed with the Authority by The Sanctuary Brewster LDHA, LLC (the "Applicant") for a construction and permanent mortgage loan in the amount of Eleven Million Fifty-Six Thousand One Hundred Forty-Two Dollars (\$11,056,142) (the "Mortgage Loan") for the construction and permanent financing of a multi-family housing project having an estimated total development cost of Twenty-One Million Two Hundred Sixty-One Thousand Eight Hundred Twelve Dollars (\$21,261,812), to be known as The Sanctuary at Brewster, MSHDA Development No. 4122 (the "Development"), located in the City of Detroit, Wayne County, Michigan, and to be owned by The Sanctuary Brewster Limited Dividend Housing Association, LLC (the "Mortgagor"); and

WHEREAS, the Applicant has also requested an HCDF loan (the "HCDF Loan") in the amount of Seven Hundred Ninety-One Eight Hundred Sixty-Eight Dollars (\$791,868); and

WHEREAS, the Applicant has also requested a CERA loan (the "CERA Loan") in the amount of Two Million Three Hundred Forty-Six Thousand Six Hundred Eighty-Five Dollars (\$2,346,685); and

WHEREAS, the Applicant has also requested a HOME-ARP loan (the "HOME-ARP Loan") in the amount of Three Million One Hundred Nineteen Thousand Five Hundred Forty-Five Dollars (\$3,119,545); and

WHEREAS, the Chief Executive Officer and Executive Director has forwarded to the Authority her analysis of the Application and her recommendation with respect thereto; and

WHEREAS, the Authority has reviewed the Application and the recommendation of the Chief Executive Officer and Executive Director and, on the basis of the Application and recommendation, has made determinations that:

- (a) The Mortgagor is an eligible applicant;
- (b) The proposed housing project will provide housing for persons of low and moderate income and will serve and improve the residential area in which Authority-financed housing is located or is planned to be located thereby enhancing the viability of such housing;

- (c) The Applicant and the Mortgagor are reasonably expected to be able to achieve successful completion of the proposed housing project;
- (d) The proposed housing project will meet a social need in the area in which it is to be located;
- (e) The proposed housing project may reasonably be expected to be marketed successfully;
- (f) All elements of the proposed housing project have been established in a manner consistent with the Authority's evaluation factors, except as otherwise provided herein;
- (g) The construction will be undertaken in an economical manner, and it will not be of elaborate design or materials; and
- (h) In light of the estimated total project cost of the proposed housing project, the amount of the Mortgage Loan authorized hereby is consistent with the requirements of the Act as to the maximum limitation on the ratio of mortgage loan amount to estimated total project cost.

WHEREAS, the Authority has considered the Application in the light of the criteria established for the determination of priorities pursuant to General Rule 125.145 and hereby determines that the proposed housing project is consistent therewith; and

WHEREAS, Sections 83 and 93 of the Act provide that the Authority shall determine a reasonable and proper rate of return to limited dividend housing corporations and associations on their investment in Authority-financed housing projects.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority as follows:

1. The Application be and it hereby is approved, subject to the terms and conditions of this Resolution, the Act, the General Rules of the Authority, and of the Mortgage Loan Commitment hereinafter authorized to be issued to the Applicant and the Mortgagor.

2. The Mortgage Loan be and it hereby is authorized and the Chief Executive Officer and Executive Director, the Chief Housing Investment Officer, the Director of Legal Affairs, the Deputy Director of Legal Affairs, the Chief Financial Officer, the Deputy Director of Finance or any person duly authorized to act in any of the foregoing capacities, or any one of them acting alone (each an "Authorized Officer"), are hereby authorized to issue to the Applicant and the Mortgagor the Authority's Mortgage Loan Commitment (the "Commitment") for the construction and permanent financing of the proposed housing project, in an amount not to exceed Eleven Million Fifty-Six Thousand One Hundred Forty-Two Dollars (\$11,056,142), and to have a term of 40-years after amortization of principal commences and to bear interest at a rate of six and 625/1000 (6.625%) per annum. The amount of proceeds of tax-exempt bonds issued or to be issued and allocated to the financing of this housing project shall not exceed Thirteen Million Fifty Thousand Dollars (\$13,050,000). Any Authorized Officer is hereby authorized to modify or waive any condition or provision contained in the Commitment.

3. The CERA Loan be and it hereby is authorized and an Authorized Officer is hereby authorized to issue to the Applicant and the Mortgagor a commitment for a CERA Loan in the estimated amount Two Million Three Hundred Forty-Six Thousand Six Hundred Eighty-Five Dollars (\$2,346,685), to have a term not to exceed fifty (50) years and to bear interest at a rate of one percent (1%) per annum with payments initially deferred.

4. The HCDF Loan be and it hereby is authorized and an Authorized Officer is hereby authorized to issue to the Applicant and the Mortgagor a commitment for an HCDF Loan in the estimated amount Seven Hundred Ninety-One Thousand Eight Hundred Sixty-Eight Dollars (\$791,868), to have a term not to exceed fifty (50) years and to bear interest at a rate of one percent (1%) per annum with payments initially deferred.

5. The mortgage loan commitment resolution and issuance of the Mortgage Loan Commitment are based on the information obtained from the Applicant and the assumption that all factors necessary for the successful construction and operation of the proposed project shall not change in any materially adverse respect prior to the closing. If the information provided by the Applicant is discovered to be materially inaccurate or misleading, or any factors necessary for the successful construction and operation of the proposed project change in any materially adverse respect, this mortgage loan commitment resolution together with the commitment issued pursuant hereto may, at the option of an Authorized Officer, be rescinded.

6. Notwithstanding passage of this resolution or execution of any documents in anticipation of the closing of the proposed mortgage loan, no contractual rights to receive the Mortgage Loan authorized herein shall arise unless and until an Authorized Officer shall have issued a Mortgage Loan Commitment and the Applicant shall have agreed in writing within fifteen days after receipt thereof, to the terms and conditions contained therein.

7. The proposed housing project be and it hereby is granted a priority with respect to proceeds from the sale of Authority securities which are determined by the Chief Executive Officer and Executive Director to be available for financing the construction and permanent loans of the proposed housing project. Availability of funds is subject to the Authority's ability to sell bonds at a rate or rates of interest and at a sufficient length of maturity so as not to render the permanent financing of the development unfeasible.

8. In accordance with Section 93(b) of the Act, the maximum reasonable and proper rate of return on the investment of the Mortgagor in the housing project be and it hereby is determined to be twelve percent (12%) per annum initially. So long as, Authority gap loan funds are outstanding the Limited Dividend Payments are capped at 12% per annum. If the Authority gap loan funds are no longer outstanding, the Limited Dividend Payments may increase 1% per annum until a cap of 25% per annum is reached.

9. The Mortgage Loan shall be subject to, and the Commitment shall contain, the conditions set forth in the Mortgage Loan Feasibility/Commitment Staff Report dated February 15, 2024, which conditions are hereby incorporated by reference as if fully set forth herein.

10. The Authority hereby waives Section VI.I.2 of the Multifamily Direct Lending Parameters adopted on June 28, 2017, requiring approval by the City of Detroit City Council for a resolution for a payment in lieu of taxes for the Development prior to the adoption of this resolution.




MSHDA

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

M E M O R A N D U M

TO: Authority Members

FROM: Amy Hovey, Chief Executive Officer and Executive Director 

DATE: February 15, 2024

RE: Asset Management – Loan Modification – Kalamazoo Rosewood, MSHDA #1037

RECOMMENDATION:

I recommend the Michigan State Housing Development Authority (the “Authority”) approve a three (3) year first mortgage principal deferral for Kalamazoo Rosewood, MSHDA #1037.

EXECUTIVE SUMMARY:

Kalamazoo Rosewood (the “Development”) is a sixty-nine (69) unit family development located in Kalamazoo, Kalamazoo County, Michigan. The Development consists of eighteen residential buildings and one mixed use (residential/community/maintenance) building that contain ten (10) one-bedroom, twenty-eight (28) two-bedroom and thirty-one (31) three-bedroom units. The Development was constructed in 2005 using financing from the Authority’s Taxable Bond Program with federal HOME Investments Partnerships Program funds and an allocation of 4% Low Income Housing Tax Credits (“LIHTC”).

In December 2023, the Authority received a request from the Kalamazoo Rosewood Limited Dividend Housing Association Limited Partnership (the “Ownership”) for a loan modification to defer principal payments for a period of three (3) years beginning January 1, 2024, and ending December 31, 2026. The Development has had minimal rent increases for units since the start of the pandemic. During this period, inflation has caused significant increases in expenses. To avoid a significant increase in rents charged to current tenants, the principal deferral will allow the Development to pay the expenses necessary to operate the Development and allow time for rents to increase incrementally over the next 3 years until a sustainable level can be reached.

ADVANCING THE AUTHORITY’S MISSION:

The deferral will allow the Development to bring all accounts payable current and increase operating cash to a level sufficient to sustain safe and sanitary affordable housing, while not burdening tenants with a substantial rent increase at lease renewal.

MUNICIPAL SUPPORT:

Municipal support has not been requested as part of the modification request.

COMMUNITY ENGAGEMENT/IMPACT:

The community will be impacted through the preservation of affordable housing units. The units will remain affordable until December 31, 2118.

RESIDENT IMPACT:

No residents will be displaced due to this transaction. Current tenants will not be burdened by a substantial rent increase at lease renewal.

ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:

None.



ACTION REPORT

DATE:	February 15, 2024
ASSET MANAGER:	Shaun Prince
MSHDA #:	1037
DEVELOPMENT NAME:	Kalamazoo Rosewood
LOCATION:	4774 Horton Drive Kalamazoo, MI 49009
CUT-OFF DATE:	March 30, 2006
ASSIGNED ATTORNEY:	Scott Grammer
MANAGEMENT AGENT:	Medallion Management Co
MANAGING GENERAL PARTNER(S):	Rosewood Nonprofit Housing Corporation
LIMITED PARTNER:	Kalamazoo Area Housing Corporation

RECOMMENDATION:

I recommend the approval of a 3-year principal deferral for Kalamazoo Rosewood beginning January 1, 2024, and ending December 31, 2026.

I. BACKGROUND:

Kalamazoo Rosewood is a 69-unit family development located in Kalamazoo. There are eighteen residential buildings and 1 mixed use (residential/community/maintenance) building containing 10 one-bedroom, 28 two-bedroom and 31 three-bedroom units. Constructed in 2005, the project was funded by the Authority's Taxable Bond Financing Program, LIHTC and HOME Supportive Housing Funding.

In December 2023, the Authority received notification of ownership's request for a principal deferral beginning January 1, 2024, and ending December 31, 2026. Ownership has concern for the financial stability of the development due to increased operating expenses, worsened by inflation, and the inability to increase rents consistent with the rate of inflation. The requested 3-year deferral will allow the development to free up cash flow to pay outstanding accounts payable and boost liquidity. This development scores a '3' on the Authority's Risk Rating Analysis.

II. CURRENT FINANCIAL CONDITION:

- A. The Development currently has 2 vacant units, with an economic vacancy of 2.05%.
- B. Liquidity has decreased from (\$10,669) in December 2022 to (\$54,178) in December 2023.
- C. The Development currently has \$1,423 in receivables, of which \$0 are aged over 30 days.
- D. The Development currently has \$64,837 in payables, of which \$51,171 are aged over 60 days.

III. SUMMARY OF PROPOSAL:

- A. First mortgage loan principal payments will be deferred for 3 years beginning January 1, 2024, and ending December 31, 2026. During the workout period, the mortgagor will continue to make interest and escrow payments. Principal payments will resume on January 1, 2027.
- B. It is estimated that the deferred principal will total \$132,048 at the end of the three-year workout period.
- C. From January 2024 to December 2026, savings from the principal deferral will be retained in operating funds and used for outstanding Accounts Payable. The savings each month will be \$3,668.
- D. The maturity date of the First Mortgage Loan will not change. All deferred principal will be due as a balloon payment at the earlier of the mortgage maturity date, refinancing, sale, or resyndication of the Development.
- E. All current rent and income restrictions (Direct lending, LIHTC, and HOME) will remain in effect and unchanged by this modification.
- F. Limited Distributions may accrue but cannot be paid until the Authority receives full payment on the deferred principal balance.
- G. Any past loan or future advances from the Owner or its partners will be subordinate to all MSHDA debt and cannot be repaid until all deferred principal is paid in full.
- H. The closing of the mortgage modification must take place within 90 days of Authority approval, unless otherwise extended by an Authorized Officer of the Authority
- I. MSHDA staff has verified that no open conditions exist for either the owner or agent.

IV. CURRENT DEVELOPMENT STATUS:

Program Type:	Taxable Bond / HOME / LIHTC
Original Loan Balance:	\$1,929,000
Current Loan Balance:	\$1,474,378
Partial Deferred Int. Balance:	\$150,094
Payment Status:	Current
Current Interest Rate:	6.5% (additional 0.5% deferred)
Loan Maturity Date:	October 1, 2041
Original HOME Loan:	\$811,000
Current HOME Loan:	\$811,000
HOME Interest Rate	0.0%
HOME Affordability End Date:	August 25, 2026
LIHTC Initial Comp. End Date:	December 31, 2019
LIHTC Extended Use End Date:	December 31, 2118

Vacancy: 2 units or 2.9% are vacant
 Economic Vacancy: 2.05%

Reserve and Escrow Balances as of January 2023:

Replacement Reserve:	\$ 769,485
ORC:	\$ 1,567
Operating Assurance:	\$ 1,391

Financial Status:

Liquidity:	\$ (54,178)
Replacement Reserve Needs:	\$ 593,850
One Month's Gross Rent Potential:	\$ 45,062

Prior Authority Action:

- March 5, 2003 – Resolution Determining Mortgage Loan Feasibility
- February 25, 2004 – Resolution Determining Mortgage Loan Feasibility
- August 25, 2004 - Resolution Authorizing Mortgage Loan

V. RENT SCHEDULE:

Bedroom	# Units	# Units Vacant	Current Rents	Utility Allowance
1-25% 4 PLEX	2	0	\$236	\$125
1-30% 4 PLEX	1	0	\$309	\$125
1-30% 4 PLEX - TBV	2	0	\$309	\$125
1-50% 4 PLEX	2	0	\$590	\$125
1-50% 4 PLEX - TBV	1	0	\$590	\$125
2-30% 4 PLEX	1	0	\$352	\$159
2-50% 8 PLEX	3	0	\$686	\$171
2-50% 4 PLEX	6	0	\$686	\$159
2-60% 4 PLEX	7	1	\$854	\$159
2-60% 4 PLEX - TBV	3	0	\$854	\$159
2-60% 8 PLEX	3	0	\$854	\$171
3-30% 4 PLEX	1	0	\$399	\$201
3-30% 8 PLEX	1	0	\$399	\$168
3-50% 4 PLEX	2	0	\$775	\$201
3-50% 8 PLEX	2	0	\$775	\$168
3-50% DUPLEX	4	0	\$775	\$234
3-60% 8 PLEX	3	0	\$968	\$168
3-60% 4 PLEX	5	0	\$968	\$201
3-60% DUPLEX	6	1	\$968	\$234
3-60% DUPLEX - TBV	2	0	\$968	\$234
1-25% 4 PLEX - LH	1	0	\$236	\$125
2-30% 4 PLEX - LH	1	0	\$352	\$159
2-30% 8 PLEX – LH - TBV	1	0	\$352	\$171
1-25% 4 PLEX - HH	1	0	\$237	\$125
2-30% 4 PLEX - HH	2	0	\$352	\$159
2-30% 8 PLEX - HH	1	0	\$352	\$171
3-30% 4 PLEX - HH	1	0	\$399	\$201

3-30% 8 PLEX - HH	1	0	\$399	\$168
3-30% 8 PLEX – HH - TBV	1	0	\$399	\$168
3-50% 4 PLEX - HH	1	0	\$775	\$201
2-MRG UNIT	1	0	\$0	\$0
TOTAL	69	2		

VI. SPECIAL CONDITIONS AND/OR REQUIREMENTS:

- A. The Mortgagor must enter into modifications of current loan documents and into any additional documents deemed necessary by the Director of Legal Affairs to effectuate the terms and conditions outlined in this report.

APPROVED:

Matt Bergeon

Matt Bergeon
Director of Asset Management

2/6/2024

Date

Anthony Lentych

Anthony Lentych
Chief Housing Investment Officer

2/6/2024

Date

Clarence L. Stone, Jr.

Clarence L. Stone, Jr.
Director of Legal Affairs

2/7/2024

Date

Amy Hovey

Amy Hovey
Chief Executive Officer and Executive Director

02/07/2024

Date

DRAFT

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

**RESOLUTION AUTHORIZING MODIFICATION TO MORTGAGE TERMS
KALAMAZOO ROSEWOOD NO. 1037
CITY OF KALAMAZOO, KALAMAZOO COUNTY**

February 15, 2024

WHEREAS, the Michigan State Housing Development Authority (the "Authority") has made a construction and permanent mortgage loan to Kalamazoo Rosewood Limited Dividend Housing Association Limited Partnership (the "Mortgagor") in the original principal amount of One Million Nine Hundred Ninety-Two Thousand Dollars (\$1,929,000), with a current loan balance of One Million Four Hundred Seventy-Four Thousand Three Hundred Seventy-Eight Dollars (\$1,474,378) (the "Mortgage Loan"), for the acquisition and construction of Kalamazoo Rosewood, MSHDA Development No. 1037 (the "Development") under the Authority's tax exempt bond, HOME Investment Partnerships Program, and LIHTC programs; and

WHEREAS, the Development has had minimal increases in rental rates since the pandemic, and inflation has caused significant increases in expenses that would otherwise require a significant increase in rental rates to current tenants; and

WHEREAS, to avoid a significant increase in rents charged to current tenants, the Mortgagor has requested a 36-month principal mortgage payment deferral; and

WHEREAS, the principal mortgage payment deferral will allow the Development to bring all accounts payable current and will increase operating cash to a level sufficient to sustain safe and sanitary affordable housing, while not burdening tenants with a substantial rent increase at lease renewal; and

WHEREAS, the Chief Executive Officer and Executive Director has recommended that the Mortgage Loan be modified as set forth in the Action Report; and

WHEREAS, the Authority concurs in the recommendation of the Chief Executive Officer and Executive Director.


NOW, THEREFORE, the Michigan State Housing Development Authority hereby resolves as follows:

1. The Authority hereby approves a loan modification deferring principal payments beginning January 1, 2024 and ending on December 31, 2026, subject to the terms and conditions set forth in the accompanying Action Report.
2. The Chief Executive Officer and Executive Director, the Director of Legal Affairs, the Acting Deputy Director of Legal Affairs, the Chief Financial Officer or any person duly acting in such capacity (each, an "Authorized Officer"), or any of them, is each hereby authorized to take any further action or waive any condition that, in the discretion of the Authorized Officer, is necessary to effectuate the proposal as set forth in the Action Report.



M E M O R A N D U M

TO: Authority Members

FROM: Amy Hovey, Chief Executive Officer and Executive Director 

DATE: February 15, 2024

RE: Grant from Operating Fund to Michigan Homeowner Assistance Nonprofit Housing Corporation

RECOMMENDATION:

I recommend the Michigan State Housing Development Authority (the “Authority”) adopt a resolution authorizing the issuance of a grant from the Authority’s Operating Fund to the Michigan Homeowner Assistance Nonprofit Housing Corporation (the “MHA”) in the amount of Ten Million Dollars (\$10,000,000.00) [\(the “Grant”\)](#). This grant is authorized by Section 22c(4) of the Act, which allows that the Authority “may make loans or grants to a subsidiary nonprofit housing corporation to enable the subsidiary nonprofit housing corporation to carry out any of its purposes.”

EXECUTIVE SUMMARY:

The Authority originally formed the MHA, a 501(c)(3) public charity, in 2010 to operate the federal Hardest Hit program. The entity is empowered to provide loans and grants; facilitate community development and revitalization in the state; and to mitigate foreclosures and stabilize home values. The Authority is responsible only for appointing, removing, and replacing the five members that make up the board of directors. The MHA is considered a discretely presented component unit of the Authority, is legally separate from the Authority, issues its own financial statements, and thus is responsible for its own liabilities and financial wherewithal.

With the expiration of the federal Hardest Hit program, the MHA has remained a dormant organization for more than two years. Given its long-standing availability to the Authority as a mechanism for carrying out the Authority’s mission, and now the goals of the Statewide Housing Plan, the recommended grant will re-establish the MHA as an important tool for accomplishing a spectrum of the Authority’s goals.

[The intended uses for the grant include: Upon approval by the Authority of the issuance of the Grant, the Authority will be authorized to enter into a grant agreement setting forth the following](#)

terms, in addition to such additional terms as may be required by the Authority's Director of Legal Affairs:

Allowable expenses:

- In accordance with Section 22c(1)(c) of the Act, reasonable costs incurred in developing a single-family mortgage loan servicing unit that can more effectively service the mortgage products offered by the Authority's Homeownership division, servicing primarily FHA-insured mortgages, with an improved customer experience, beyond that which the limited pool of private sector vendors currently offers.
- In accordance with Section 22c(1)(b) of the Act, reasonable costs incurred in taking possession of troubled Authority-financed, multifamily projects that might otherwise lose their affordability restrictions, and returning those projects to viability.
- In accordance with Section 22c(1)(c) of the Act, reasonable costs incurred in engaging in the program development necessary to obtain federal pilot-program grants and technical assistance grants in conjunction with federal housing programs, which are either on a scale smaller than the Authority would itself pursue, or not aligned with current Authority staffing.
- In accordance with Section 22c(1)(c) of the Act, reasonable costs incurred in exploring, in conjunction with U.S. Department of Housing and Urban development and related federal housing programs, novel and unique affordable housing and housing-related community and economic development, lending, grant, education, and partnership opportunities.
- Promoting the development of affordable housing throughout Michigan.

The impact of the grant will be measured by

Grant performance monitoring:

The Authority's Finance, Homeownership, and Strategy and Engagement Divisions will monitor grant performance, according to such reporting schedules as they may reasonably require, but in any event no less than quarterly, for:

- Customer service feedback and metrics relative to loan-servicing contracts;
- Affordable housing units retained from the improvement of troubled assets;
- New affordable housing units generated via lending, grant, and partnership mechanisms not currently employed by the Authority;
- The provision of technical assistance to public and private partners.

Grant Term:

The Grant will have an initial term of 36 months, beginning the date the Grant is awarded.

Special Conditions:

Prior to expending grant funds, the MHA will provide in form satisfactory to Authority staff, a projected annual budget, staffing plan, and projected work detail.

-

The risk to the Authority is negligible, as the Authority will control the terms of the grant, will appoint MHA board members, will monitor grant performance, and the MHA is legally responsible for its own activities.

ADVANCING THE AUTHORITY'S MISSION:

The grant supports by the Authority's mission, vision, and principals of supporting access to homeownership opportunities, by pursuing new pathways of collaborating to address housing needs, and by providing innovative rental housing solutions.

The grant supports the Statewide Housing Plan by providing funding, staffing, technical assistance, and other supports at the statewide level. It will provide the Authority with new mechanisms for developing, retaining, and stabilizing housing throughout the state.

COMMUNITY ENGAGEMENT/IMPACT:

The grant will positively impact low- and moderate-income households throughout the state and will help satisfy the various goals of the Authority's Regional Housing Partnerships by making more homeownership resources available, rescuing struggling housing developments, and fostering creative housing solutions.

ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:

The General Operating Fund dollars used to fund this grant are derived from positive fiscal years of Authority activity, and this grant represents putting those funds to use in service of the Authority's mission. Utilizing an existing subsidiary nonprofit housing corporation created under Section 22c of the Act allows fast and efficient use of the Authority's resources.

DRAFT

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
RESOLUTION AUTHORIZING OPERATING FUND GRANT
TO THE
MICHIGAN HOMEOWNERSHIP ASSISTANCE NONPROFIT HOUSING CORPORATION

February 15, 2024

WHEREAS, Section 22c of Public Act 346 of 1966, as amended (the "Act"), empowered the Michigan State Housing Development Authority (the "Authority") to create in 2010 the Michigan Homeowner~~ship~~ Assistance Nonprofit Housing Corporation (the "MHA"), a subsidiary nonprofit housing corporation, and

WHEREAS, Section 22c(4) of the Act provides that the Authority "may make loans or grants to a subsidiary nonprofit housing corporation to enable the subsidiary nonprofit housing corporation to carry out any of its purposes"; and

WHEREAS, staff and the Chief Executive Officer and Executive Director recommend that the Authority adopt a resolution authorizing an Operating Fund grant to the MHA, as Grantee, in accordance with the accompanying Memorandum; and

WHEREAS, the Authority concurs in the recommendation.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority as follows:

1. That the Authority hereby determines that:
 - a. the Grantee is an eligible applicant as defined in Section 22c of the Act;
 - b. the Grant will be expended for one or more of the activities outlined in the Authority's Act and in carrying out the Authority's purposes.

2. That a Grant not to exceed Ten Million Dollars (\$10,000,000) be and is hereby authorized to be ~~used~~ issued for the purposes set forth in the accompanying Memorandum, subject to the execution of a Grant Agreement between the Authority and the Grantee, according to the terms set forth in the accompanying Memorandum and further containing the following:
 - a. an anti-discrimination provision effectuating Section 46 of the Act;
 - b. a provision that no expenditures or actions funded with the Grant may be in violation of the Act and the General Rules of the Authority;
 - c. a provision that all facilities acquired with the proceeds of the Grant will be made

subject to any liens, security interests or other security agreements and any terms, covenants and conditions regarding the use or resale of such facilities as shall be determined by the Chief Executive Officer and Executive Director;

- d. a provision whereby the Authority reserves the right to pursue remedies prescribed by the Act for violations of the Grant Agreement;
 - e. a provision that all aspects of the Grantee's plan for the use of the Grant will be subject to review by the requisite Authority staff for the purpose of assuring conformity with Grant Agreement terms;
 - f. a provision providing for the recapture or de-obligation of some or all of the Grant for any violation of the terms of the Grant Agreement.
3. That, if an advance or a portion of the Grant for a specific purpose is not used for that purpose due to conditions that make it impossible to use as stated herein, or if the Grantee fails to use all or any portion of the Grant, or the Grantee is subject to dissolution, any unused Grant proceeds that have been disbursed will be returned to the Authority immediately.
4. That the Chief Executive Officer and Executive Director, the Director of Legal Affairs, the Chief Financial Officer or any person duly appointed and acting in that capacity (each an Authorized Officer) is authorized to require such additional grant terms as they deem necessary to assure the administration of the Grant is in compliance with the Act and the General Rules of the Authority.



MSHDA

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

M E M O R A N D U M

TO: Authority Members

FROM: Amy Hovey, Chief Executive Officer and Executive Director

DATE: March 21, 2024

RE: Approval of the Annual Public Housing Agency (“PHA”) Plan and Administrative Plan, and the 5-Year PHA Plan for the Housing Choice Voucher Program

RECOMMENDATION:

I recommend that the Michigan State Housing Development Authority (“the Authority”) adopt a resolution approving the Annual Fiscal Year 2024-2025 PHA Plan (“Annual PHA Plan”), proposed changes to the Administrative Plan, and the 5-Year Plan for the Housing Choice Voucher Program (“HCV Program”). The Annual and 5-Year PHA Plans govern the Authority’s administration of the HCV Program and are documents required by the U.S. Department of Housing and Urban Development (“HUD”).

EXECUTIVE SUMMARY:

The Annual PHA Plan is a comprehensive explanation of the Authority’s HCV Program, policies, operations and strategies for meeting housing needs and goals. The Administrative Plan provides more specific policy information regarding how the Authority implements the HCV Program. The Fiscal Year 2023-24 Annual PHA Plan and Administrative Plan were approved as amended by the Authority on March 16, 2023.

SUMMARY OF CHANGES:

The Annual PHA Plan contains the Authority’s on-going efforts to serve the needs of homeless, very low and extremely low-income Michigan residents as well as the Authority’s progress on meeting its Mission and Goals described in the 5-Year PHA Plan. Following are highlights of the Authority’s 5-Year Plan progress since January 1, 2019:

- Applied for and was awarded 5 additional Veterans Affairs Supportive Housing (VASH) vouchers to be utilized in the Iron Mountain VA Medical Center’s catchment area.
- Applied for and was awarded 12 additional VASH vouchers to be utilized in the Saginaw VA Medical Center’s catchment area.
- Awarded 55 Stability Vouchers by HUD that will be utilized in partnership with the Balance of State Continuum of Care to assist individuals and families that are homeless, at risk of

homelessness, were recently homeless, or are fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking.

- Assisted in the purchase of 167 homes with HCV Program participants through the Key to Own Homeownership Program
- Awarded 662 Project-Based Vouchers (PBV) to thirty-five multi-family developments that will serve supportive housing populations.
- Graduated 488 HCV Program participants from the Family Self-Sufficiency Program resulting in escrow payouts totaling over \$3 million.
- Conducted over 692 Informal Hearings due to non-compliance with program regulations and demanded repayment of federal subsidy, when applicable
- Executed over 2,600 Repayment Agreements totaling over \$5.2 million in collectable debt.
- Continued annual fraud recovery of more than \$800,000 from landlords and participants.
- Continued partnerships with Continuum of Care bodies on the Campaign to End Homelessness

ADMINISTRATIVE PLAN UPDATES:

There are significant changes to the Administrative Plan as a result of the Housing Opportunity Through Modernization Act of 2016 (HOTMA) administrative rule. The HOTMA rule became effective January 1, 2024, and consists of 14 sections of regulations that affect the HCV Program. HOTMA makes sweeping changes to the United States Housing Act of 1937 (1937 Act), particularly those affecting income calculations and reviews.

The Department of Housing and Urban Development (HUD) requires that the Authority update its plan and policies in compliance with HOTMA regulations 75 days prior to the start of the Authority's fiscal year.

Summary of Mandatory Administrative Plan Changes under HOTMA

- Fewer interim reexaminations
- Streamlined verifications
- Increased standard deductions for elderly/disabled households
- Additional income exclusions
- \$100,000 asset limit for eligibility and continued assistance
- Annual adjustments to deductions and asset limitations

Summary of Discretionary Administrative Plan Changes under HOTMA

- Self-certification of net family assets equal to or less than \$50,000 (adjusted annually for inflation)
- Hardship exemptions for health/medical care expenses, reasonable attendant care, and auxiliary apparatus expenses
- Hardship exemption to continue child care expense deduction
- Additional permissive deductions
- De minimis errors in income determinations
- Interim reexaminations - decreases in adjusted income
- Interim reexaminations - increases in adjusted income
- Revocation of Consent Form (HUD- 9886)
- Enterprise Income Verification (EIV)

ADVANCING THE MISSION:

The Authority uses its HCV Program to help meet the housing needs of those experiencing homelessness and other very low-income households. The Authority uses a homeless preference to offer vouchers to homeless households that have been referred by local Continuums of Care. The HCV Program is also used to provide rental supports within the Permanent Supportive Housing Program which provides housing and services to our most vulnerable homeless households.

The proposed change to the Annual PHA Plan and Administrative Plan assists the Authority in ensuring that rental assistance is delivered effectively and efficiently to those most in need. Through established partnerships with local service providers and other state agencies, the Authority can reach the most vulnerable populations, such as the homeless, disabled, veterans, and the elderly, and eliminate housing barriers so that other barriers and challenges can be addressed through supportive services and case management. Review and revision of the Annual PHA Plan and Administrative Plan reflect responsiveness to the communities the Authority serves, and the Authority's commitment to continuous improvement.

COMMUNITY SUPPORT:

The change to the Annual PHA Plan and Administrative Plan was published and posted on the Authority's website for public review in accordance with HUD requirements. Additionally, e-mail messages announcing the change were distributed to Authority partners including the contracted Housing Agents, Continuum of Care bodies, Housing Assessment and Resource Agencies, Family Self-Sufficiency Resource Coordinators, the Michigan Housing Council, and the Community Economic Development Association of Michigan. Two separate public hearings were held on February 23, 2024. The public was able to may participate in person at the Lansing or Detroit office or virtually via Microsoft Teams and/or Zoom.

Comments received will be reviewed by Authority staff to determine if additional changes should be considered for Board review and approval.

An electronic version of the previously approved FY 2023-2024 Annual PHA Plan, proposed FY 2024-25 Annual PHA Plan, proposed 2024-29 5-Year PHA Plan, and Administrative Plan changes are located on the Authority's website at www.michigan.gov/mshda in the "Spotlight" section of the page.

The Plans require Authority approval per the Quality Housing and Work Responsibility Act of 1998. The Annual PHA Plan will be submitted to HUD following approval by the Authority.

ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:

None

CURRENT AND HISTORICAL HOMEOWNERSHIP DATA

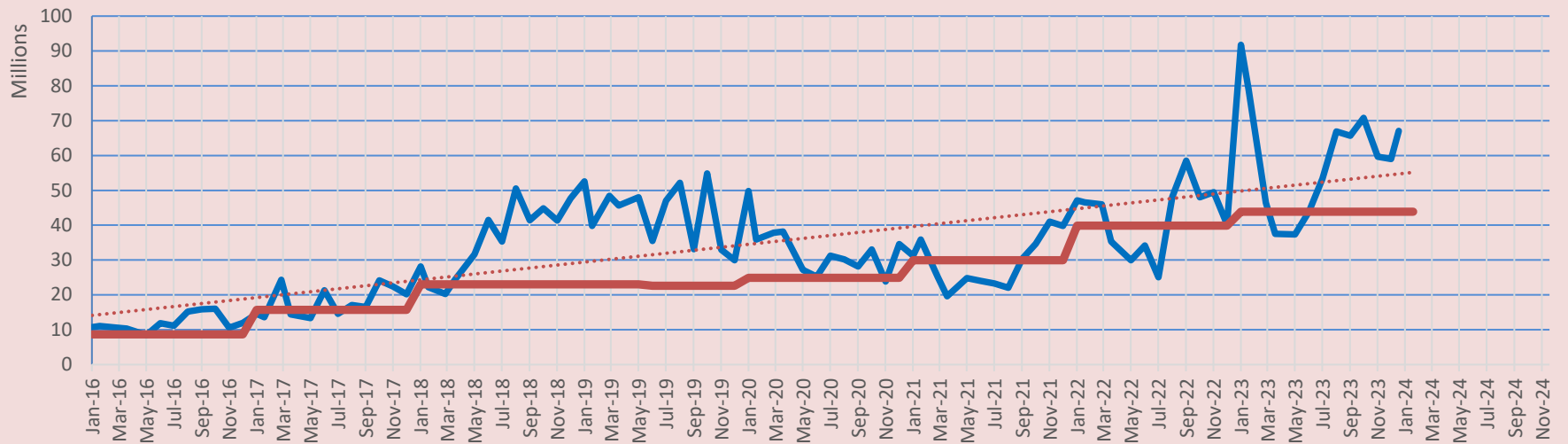
January 2024



MSHDA's Homeownership Division delivers responsive homeownership products, education and technical assistance that empower our customers and strengthen and sustain Michigan communities. We work with our partners to provide creative solutions that maximize existing resources and preserve homeownership opportunities for future generations.

SINGLE FAMILY MORTGAGES

GOAL PURCHASED



Monthly Homeownership Production Report: JANUARY 2024

Print on Legal-Size paper

MI HOME Loan Programs

Series /Date	Month	RESERVATIONS	APPLICATIONS RECEIVED	COMMITMENTS BEGINNING	COMMITMENTS ISSUED	Reinstatements Net	Transfers IN or Adjustment	Transfers OUT or Adjustment	COMMITMENTS ENDING	PURCHASED #1	PURCHASED-DPA	PURCHASED #	PURCHASED Prior Total	PURCHASED NEW Total	1st + DPA TO DATE	NEWEST ALLOCATED										
031	Jan-24	0	\$ -	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	031	\$ 32,837,184.00	\$ 32,837,184.00	\$ 34,689,829.00	\$ 10,000,000.00		
	Dec-23	0	\$ -	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	101	\$ 1,852,645.00	\$ 1,852,645.00	remaining:	\$ (24,689,829.00)		
064	Jan-24	0	\$ -	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	064	\$ 294,190,870.00	\$ 294,190,870.00	\$ 312,196,712.00	\$ 300,000,000.00		
9/27/2022	Dec-23	0	\$ -	0	\$0.00	2	\$295,094.00	0	\$0.00	0	\$0.00	0	\$0.00	-2	-\$295,094.00	0	\$0.00	0	\$0.00	164	\$ 18,005,842.00	\$ 18,005,842.00	remaining:	\$ (12,196,712.00)		
065	Jan-24	0	\$ -	3	\$286,158.00	14	\$1,915,775.00	2	\$196,158.00	-4	-\$492,412.00	45	\$6,217,664.00	-9	-\$1,320,073.00	4	\$438,350.00	44	\$6,078,762.00	38	\$354,714.00	065	\$ 241,899,024.00	\$ 247,977,786.00	\$ 263,156,308.00	\$ 300,000,000.00
5/19/2023	Dec-23	0	\$ -	4	\$434,122.00	14	\$1,915,775.00	3	\$369,837.00	-3	-\$425,155.00	0	\$0.00	-62	-\$7,707,621.00	14	\$1,915,775.00	0	\$0.00	165	\$ 14,823,808.00	\$ 15,178,522.00	remaining:	\$ 36,843,692.00		
066	Jan-24	364	\$51,649,957.00	492	\$67,722,785.00	480	\$68,949,994.00	459	\$63,831,506.00	-3	-\$430,326.00	8	\$1,234,152.00	-42	-\$5,873,800.00	477	\$66,721,571.00	425	\$60,989,955.00	387	\$3,679,155.00	066	\$ 115,161,669.00	\$ 176,151,624.00	\$ 186,755,976.00	\$ 400,000,000.00
9/5/2023	Dec-23	306	\$42,618,380.00	642	\$90,056,859.00	480	\$68,949,994.00	389	\$55,221,166.00	-1	-\$69,942.00	64	\$8,022,715.00	-1	-\$173,844.00	480	\$68,949,994.00	428	\$58,980,543.00	385	\$3,603,654.00	166	\$ 6,925,197.00	\$ 10,604,352.00	remaining:	\$ 213,244,024.00
TOTAL	Jan-24	364	\$51,649,957.00	495	\$68,008,943.00	494	\$70,865,769.00	461	\$64,027,664.00	-7	-\$922,738.00	53	\$7,451,816.00	-51	-\$7,193,873.00	481	\$67,159,921.00	469	\$67,068,717.00	425	\$4,033,869.00					

MCC		RESERVATIONS	APPS RECEIVED	COMMITMENTS	CERTIFICATES				
213 MCC	Jan-24	10	\$ 1,608,466.00	9	\$ 1,495,183.00	8	\$ 1,314,283.00	6	\$ 829,689.00
12/7/2022	Dec-23	8	\$ 1,274,986.00	6	\$ 927,871.00	6	\$ 927,871.00	4	\$ 666,263.00

MI 10K DOWN PAYMENT ASSISTANCE PROGRAM

The MI 10K DPA Loan program is a \$10,000 down payment assistance program available throughout the state. The MI 10K DPA Loan must be combined with a MI Home Loan.

January 2024

County	#	Loan Amt	DPA Amt	Total \$
Alcona				\$ -
Alger	1	\$ 151,900	\$ 10,000	\$ 161,900
Allegan	4	\$ 729,178	\$ 35,477	\$ 764,655
Alpena	2	\$ 197,500	\$ 20,000	\$ 217,500
Antrim				\$ -
Arenac				\$ -
Baraga				\$ -
Barry	5	\$ 839,910	\$ 50,000	\$ 889,910
Bay	7	\$ 685,698	\$ 58,351	\$ 744,049
Benzie				\$ -
Berrien	5	\$ 656,066	\$ 47,931	\$ 703,997
Branch				\$ -
Calhoun	17	\$ 2,003,720	\$ 151,322	\$ 2,155,042
Cass				\$ -
Charlevoix				\$ -
Cheboygan	1	\$ 120,280	\$ 10,000	\$ 130,280
Chippewa	2	\$ 184,007	\$ 19,520	\$ 203,527
Clare	2	\$ 192,691	\$ 20,000	\$ 212,691
Clinton	6	\$ 855,929	\$ 55,759	\$ 911,688
Crawford				\$ -
Delta	1	\$ 58,250	\$ 10,000	\$ 68,250
Dickinson				\$ -
Eaton	5	\$ 735,511	\$ 48,133	\$ 783,644
Emmet				\$ -
Genesee	21	\$ 2,654,094	\$ 196,083	\$ 2,850,177
Gladwin	1	\$ 140,900	\$ 4,053	\$ 144,953
Gogebic	1	\$ 75,660	\$ 6,225	\$ 81,885
Grand Traverse				\$ -
Gratiot	5	\$ 512,294	\$ 37,607	\$ 549,901
Hillsdale				\$ -
Houghton				\$ -
Huron				\$ -
Ingham	21	\$ 2,574,452	\$ 199,296	\$ 2,773,748
Ionia	6	\$ 1,001,741	\$ 58,595	\$ 1,060,336
Iosco				\$ -
Iron				\$ -
Isabella	7	\$ 976,679	\$ 62,275	\$ 1,038,954
Jackson	7	\$ 800,085	\$ 69,613	\$ 869,698
Kalamazoo	11	\$ 1,817,941	\$ 108,212	\$ 1,926,153
Kalkaska				\$ -
Kent	16	\$ 2,847,279	\$ 155,825	\$ 3,003,104
Keweenaw				\$ -
Lake	1	\$ 80,586	\$ 9,679	\$ 90,265
Lapeer				\$ -
Leelanau				\$ -
Lenawee	7	\$ 965,883	\$ 69,317	\$ 1,035,200
Livingston				\$ -
Luce				\$ -
Mackinac				\$ -
Macomb	43	\$ 6,538,439	\$ 407,621	\$ 6,946,060
Manistee				\$ -
Marquette	3	\$ 338,800	\$ 28,970	\$ 367,770
Mason				\$ -
Mecosta	5	\$ 809,185	\$ 46,725	\$ 855,910
Menominee				\$ -

Midland	10	\$ 1,539,770	\$ 91,343	\$ 1,631,113
Missaukee				\$ -
Monroe	11	\$ 1,761,760	\$ 110,000	\$ 1,871,760
Montcalm	8	\$ 1,181,993	\$ 76,756	\$ 1,258,749
Montmorency	1	\$ 162,011	\$ 10,000	\$ 172,011
Muskegon	14	\$ 2,121,905	\$ 130,787	\$ 2,252,692
Newaygo	2	\$ 366,431	\$ 20,000	\$ 386,431
Oakland	22	\$ 3,546,672	\$ 212,519	\$ 3,759,191
Oceana	1	\$ 101,547	\$ 10,000	\$ 111,547
Ogemaw	2	\$ 184,103	\$ 15,538	\$ 199,641
Ontonagon				\$ -
Osceola	1	\$ 95,525	\$ 10,000	\$ 105,525
Oscoda	1	\$ 89,845	\$ 10,000	\$ 99,845
Otsego				\$ -
Ottawa	2	\$ 408,515	\$ 19,301	\$ 427,816
Presque Isle	1	\$ 137,750	\$ 7,220	\$ 144,970
Roscommon				\$ -
Saginaw	18	\$ 1,913,468	\$ 167,267	\$ 2,080,735
Saint Clair	13	\$ 1,785,069	\$ 124,711	\$ 1,909,780
Saint Joseph	3	\$ 358,100	\$ 30,000	\$ 388,100
Sanilac	2	\$ 272,479	\$ 19,211	\$ 291,690
Schoolcraft				\$ -
Shiawassee	4	\$ 495,516	\$ 37,835	\$ 533,351
Tuscola	3	\$ 465,428	\$ 23,380	\$ 488,808
Van Buren	2	\$ 322,855	\$ 19,132	\$ 341,987
Washtenaw	6	\$ 1,124,473	\$ 57,685	\$ 1,182,158
Wayne	84	\$ 12,361,604	\$ 824,972	\$ 13,186,576
Wexford	1	\$ 186,558	\$ 10,000	\$ 196,558
TOTAL	425	\$ 60,528,035	\$ 4,034,246	\$ 64,562,281
January Total Purchases	469	67,068,717.00	4,033,869.00	\$ 71,102,586
Percentage that used DPA	91%	90%	100%	91%



2024 BOARD CALENDAR

JANUARY

VOTING ITEMS:

- Intent to Reimburse Resolution
- Short-term Warehouse Borrowing Resolution

DISCUSSION ITEMS:

- SFRB 2024 Series A (Fixed Rate, Non AMT)
- SFRB 2024 Series B (Fixed Rate, Taxable)

FEBRUARY

VOTING ITEMS:

- SFRB 2024 Series A (Fixed Rate, Non AMT)
- SFRB 2024 Series B (Fixed Rate, Taxable)

DISCUSSION ITEMS:

- FY 2023-2024 PHA Plan
- Multifamily Bond Deal

MARCH

VOTING ITEMS:

- FY 2023-2024 PHA Plan
- Multi-Family Bond Deal

DISCUSSION ITEMS:

- Quarterly Financials

APRIL

VOTING ITEMS:

DISCUSSION ITEMS:

MAY

VOTING ITEMS:

DISCUSSION ITEMS:

- 2024-25 Budget

JUNE

VOTING ITEMS:

- 2024-25 Budget

DISCUSSION ITEMS:

- Pass-Through Program
- Quarterly Financials

JULY

VOTING ITEMS:

- Pass-Through Program

DISCUSSION ITEMS:

- Single-Family Bond Deal

AUGUST

VOTING ITEMS:

- Single-Family Bond Deal

DISCUSSION ITEMS:

SEPTEMBER
VOTING ITEMS:
DISCUSSION ITEMS:

OCTOBER
VOTING ITEMS:
DISCUSSION ITEMS:
<ul style="list-style-type: none"> • Board Meeting Schedule for 2025

NOVEMBER
VOTING ITEMS:
<ul style="list-style-type: none"> • Approval of Board Meeting Schedule for 2025
DISCUSSION ITEMS:
<ul style="list-style-type: none"> • Audited Year-End 6/30/2024 Financials

DECEMBER
VOTING ITEMS:
DISCUSSION ITEMS: