

# MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

## AGENDA

March 20, 2025 – 10:00 a.m.

735 East Michigan Avenue, Lansing, Michigan 48912  
Cadillac Place, 3028 West Grand River, Room 4-602, Detroit, MI 48202  
State Office Building, 701 South Elmwood Avenue, Traverse City, MI 49684  
Microsoft Teams Conference Line: 248-509-0316 | Conference ID: 385 197 578#

For accessible copies of the board docket voting items and reports, please contact MSHDA at 1-855-646-7432.

### ROLL CALL:

### PUBLIC COMMENTS:

### VOTING ISSUES:

Tab A Approval of the Agenda

### CONSENT AGENDA:

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 – February 20, 2025, Board Meeting

Tab C Minutes – February 26, 2025, Special Board Meeting

Tab D Resolution Authorizing Grants from the Michigan Housing and Community Development Fund

Tab E Resolution Approving Annual PHA Plan and 5-Year PHA Plan for the Housing Choice Voucher Program

Tab F Resolution Authorizing Approval of Pilot Housing Stock and Homeowner Affordability Program

Tab G Inducement Resolution **HōM Flats at 28 West Phase 3**, City of Wyoming, Kent County, MSHDA No. 44c-228

Tab H Resolution Authorizing Becoming a Party to Existing State Contract with Peckham Vocational Industries, Inc.

**REGULAR VOTING ITEMS:**

Tab I Michigan State Housing Development Authority Resolution Authorizing Issuance And Sale Of Michigan State Housing Development Authority Multifamily Housing Revenue Bonds, Series 2025 (**Plymouth Square Apartments Project**) To Finance A Loan To Plymouth Square Preservation Limited Dividend Housing Association, LLC So As To Enable The Borrower To Acquire, Construct, Rehabilitate And Equip A Certain Multi-Family Rental Housing Facility, Authorizing The Execution Of The Bond Purchase Agreement, The Loan Agreement And The Trust Indenture Securing The Bonds, And Determining And Authorizing Other Matters Relative Thereto

Resolution Authorizing Loan, **Plymouth Square, MSHDA No. 44c-217**, City of Detroit, Wayne County

Tab J Michigan State Housing Development Authority Series Resolution Authorizing the Issuance and Sale of Single-Family Mortgage Revenue Bonds, **2025 Series A** In an Amount Not to Exceed \$425,000,000

Tab K Michigan State Housing Development Authority Series Resolution Authorizing the Issuance and Sale of Single-Family Mortgage Revenue Bonds, **2025 Series B** (Federally Taxable) In an Amount Not to Exceed \$275,000,000

Tab L Michigan State Housing Development Authority Resolution Authorizing the Issuance and Sale of Single-Family General Obligation Bonds, **2025 Series 1** (Federally Taxable) In an Amount Not to Exceed \$80,000,000

Tab M Resolution Determining Mortgage Loan Feasibility, **Genesis East, MSDHA Development No. 1437-2**, City of Kentwood, Kent County

Resolution Authorizing Mortgage Loans, **Genesis East, MSHDA Development No. 1437-2**, City of Kentwood, Kent County

Tab N Resolution Determining Mortgage Loan Feasibility, **Auburn Place, MSDHA Development No. 4118**, City of Pontiac, Oakland County

Resolution Authorizing Mortgage Loans, **Auburn Place, MSHDA Development No. 4118**, City of Pontiac, Oakland County

**CLOSED SESSION:**

None.

**DISCUSSION ISSUES:**

None.

**REMARKS:**

Chairperson

Executive Director

**REPORTS:**

Tab 1 Financial Report: Quarter and Year to Date Ended December 31, 2024

Tab 2 Current and Historical Homeownership Data

Tab 3 Monthly Homeownership Production Report

Tab 4 MI 10K DPA Monthly Statistics (Map)

Tab 5 2025 Board Calendar

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**

**MINUTES OF REGULAR AUTHORITY MEETING**

**FEBRUARY 20, 2025**

**AUTHORITY MEMBER(S) PRESENT: LANSING**

Rachael Eubanks  
Susan Corbin  
Jonathan Bradford  
Evangelina Hernandez  
Michele Wildman

**AUTHORITY MEMBER PRESENT: DETROIT**

Regina Bell

**AUTHORITY MEMBER ABSENT:**

Jennifer Grau

**AUTHORITY MEMBER PRESENT: MICROSOFT TEAMS**

Warren Call

**ATTENDEES IN DETROIT:**

Sherry Hicks, MSHDA

**ATTENDEES IN LANSING/ MICROSOFT TEAMS:**

Jacob Albert, MSHDA  
David Allen, MSHDA  
Lindsey Baker, MSHDA  
Yolanda Bennett, MSHDA  
Carmen Berry, MSHDA  
Diana Bitely, MSHDA  
Jennifer Bowman, MSHDA  
Debbie Brown, MSHDA  
Drew Brown, MSHDA  
Christy Capelin, MSHDA  
Megan Castro, MSHDA  
Julie Chant, MSHDA  
Brett Churchill, MSHDA  
Latasha Cole, MSHDA  
Tonya Coon, MSHDA  
Andrea Cottrell, MSHDA

Daniel Lince, MSHDA  
Kevin Louis, MSHDA  
Daniel McConnell, MSHDA  
Kendra McCullar, MSHDA  
Thomas McKee, MSHDA  
Jennifer McNeely, MSHDA  
Christine Miller, MSHDA  
John Millhouse, AG  
Tiffany Mitchell, MSHDA  
Trenton Mitchell, MSHDA  
Frank Mostek, MSHDA  
Ange Muhire, MSHDA  
Michael Naberhuis, MSHDA  
Kristin Nied, Miller Canfield  
Stephanie Oles, MSHDA  
Quocshawn Parker, MSHDA

Craig W. Hammond, Dickenson-Wright  
Mason Crozier, MSHDA  
Amanda Curler, MSHDA  
James Davis, MSHDA  
Melissa DeBone, MSHDA  
Kathryn Evans, MSHDA  
Michael Fobbe, AG  
Mark Garcia, MSHDA  
Pierre-Denise Gilliam, MSHDA  
Alan Gillis, MSHDA  
Kara Hart-Negrich, MSHDA  
Dawn Hengesbach, MSHDA  
Zachary Herrmann, MSHDA  
Jonathan Hilliker, MSHDA  
Amy Hovey, MSHDA  
Jason Hubbard, Stifel Public Finance  
Tyler Hull, MSHDA  
Tim Hunnicutt, Kalamazoo Courtyard  
Marcel Jackson, MSHDA  
Charlotte Johnson, MSHDA  
Tonia Kaczmarczyk, MSHDA  
Joseph Kelly, MSHDA  
Laurie Kelly, MSHDA  
Sandra Kimball, MSHDA  
Scott Kindinger, MSHDA  
Laura King, MSDHA  
Ashley Kreiner, MSHDA  
Allecia Lamb-Ridge, MSHDA  
Stephanie Latos, MSHDA  
Lily Guiney, Gongwer

Amy Patterson, AG  
Jillian Pearson, MSHDA  
Damon Pline, MSHDA  
Joseph Popek, AG  
Cisco Potts, MSHDA  
Shaun Prince, MSHDA  
Liz Rademacher, MSHDA  
Karmen Robinson, MSHDA  
Jackie Royale, MSHDA  
Jaclyn Schafer, MSHDA  
Matthew Schoenherr, MSHDA  
Nicholas Shattuck, MSHDA  
Catherine Sheets, MSHDA  
Michael Shelden, MSHDA  
Christopher Shultz, MSHDA  
Matthew Smith, MSHDA  
Megan Spitz, MSHDA  
Andrew Spitzley, MSHDA  
Mike Stefanko, Ginosko Development  
Clarence Stone, MSHDA  
Jeffrey Sykes, MSDHA  
Stacy Thomas, MSHDA  
Rochell Thompson, MSHDA  
Katy VanHouten, MSHDA  
Marv Veltkamp, Kalamazoo Courtyard  
Hilary Vigil, AG  
Michael Vollick, MSHDA  
Lisa Ward, MSDHA  
Mark Whitaker, MSHDA  
Justin Wieber, MSHDA

Four additional members of the public participated via the Conference Line: Conference ID: 385 197 578#. Chairperson Susan Corbin opened the meeting at 10:01 am. A quorum was established with the presence of Rachael Eubanks, Jonathan Bradford, Evangelina Hernandez and Regina Bell. Michele Wildman arrived at 10:12 am. Members were physically present in Lansing and Detroit.

Ms. Corbin proceeded to request public comments from participants both in-person and via teams. No comments were received.

#### **MEETING ANNOUNCEMENTS:**

Ms. Corbin noted a goldenrod **Tab A** (Agenda) due to the removal of **Tab I** (Resolution Authorizing Modification to Funding and Servicing Agreement and Implementation of The Greenhouse Gas Reduction Fund (“GGRF”) Program.

## **APPROVAL OF AGENDA:**

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

## **VOTING ITEMS:**

### **Consent Agenda (Tabs B–E):**

Jonathan Bradford moved approval of the Consent Agenda. Regina Bell supported. The Consent Agenda was approved.

The Consent Agenda included the following items:

- Tab B** Minutes – January 23, 2025, Board Meeting
- Tab C** Resolution Authorizing Grants from the Michigan Housing and Community Development Fund
- Tab D** Resolution Authorizing Contract for Modular Housing Production, Study and Report
- Tab E** Inducement Resolution **CCF Van Dyke Apartments II**, Sterling Heights, Macomb County, MSHDA No. 44c-226

### **Regular Voting Items:**

Clarence Stone, Chief Legal Affairs Officer, and Craig Hammond, Bond Counsel for Dickenson-Wright, presented **Tab F**, Resolution Authorizing Loan, **Kalamazoo Community Courtyard, MSHDA No. 44c-222**, City of Kalamazoo, Kalamazoo County: Michigan State Housing Development Authority Resolution Authorizing Issuance And Sale Of Michigan State Housing Development Authority Multifamily Housing Revenue Bonds, Series 2025 (**Kalamazoo Community Courtyard Project**) To Finance A Loan To Kalamazoo Community Courtyard Limited Dividend Housing Association Limited Partnership So As To Enable The Borrower To Acquire, Construct And Equip A Certain Multi-Family Rental Housing Facility, Authorizing The Execution Of The Bond Purchase Agreement, The Loan Agreement And The Trust Indenture Securing The Bonds, And Determining And Authorizing Other Matters Relative Thereto. Mr. Stone and Mr. Hammond reviewed the resolutions as detailed in the board docket.

John Millhouse of the Attorney General's Office confirmed that the documents in **Tab F** were acceptable for the Board's action.

Clarence Stone, Chief Legal Affairs Officer, confirmed that the documents in **Tab F** were acceptable for the Board's action.

Evangelina Hernandez moved to approve **Tab F**. Michele Wildman supported. The following Roll Call was taken for **Tab F**:

Regina Bell	Yes
Jonathan Bradford	Yes
Warren Call	Absent
Jennifer Grau	Absent
Rachael Eubanks	Yes
Susan Corbin	Yes
Evangelina Hernandez	Yes
Michele Wildman	Yes

There were six "yes" votes. The resolutions were approved.

Clarence Stone, Chief Legal Affairs Officer, and Craig Hammond, Bond Counsel for Dickenson-Wright, presented **Tab G**, Resolution Authorizing Loan, **Lee Plaza Apartments (4%), MSHDA No. 44c-212**, City of Detroit, Wayne County: Michigan State Housing Development Authority Resolution Authorizing Issuance And Sale Of Michigan State Housing Development Authority Multifamily Housing Revenue Bonds, Series 2025 (**Lee Plaza Apartments (4%) Project**) To Finance A Loan To Lee Plaza II Limited Dividend Housing Association LLC So As To Enable The Borrower To Acquire, Construct, Rehabilitate And Equip A Certain Multi-Family Rental Housing Facility, Authorizing The Execution Of The Bond Purchase Agreement, The Loan Agreement And The Trust Indenture Securing The Bonds, And Determining And Authorizing Other Matters Relative Thereto. Mr. Stone and Mr. Hammond reviewed the resolutions as detailed in the board docket.

John Millhouse of the Attorney General's Office confirmed that the documents in **Tab G** were acceptable for the Board's action.

Clarence Stone, Chief Legal Affairs Officer, confirmed that the documents in **Tab G** were acceptable for the Board's action.

Michele Wildman moved to approve **Tab G**. Jonathan Bradford supported. The following Roll Call was taken for **Tab G**:

Regina Bell	Yes
Jonathan Bradford	Yes
Warren Call	Absent
Jennifer Grau	Absent
Rachael Eubanks	Yes
Susan Corbin	Yes

Evangelina Hernandez	Yes
Michele Wildman	Yes

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

Chad Benson, Director of Development, presented **Tab H**, Resolution Authorizing Mortgage Loan Increase, **Russell Woods 4% Senior Living Community, MSHDA Development No. 4129, City of Detroit, Wayne County**. Mr. Benson reviewed the documents as detailed in the board docket.

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

### **CHAIR’S REPORT:**

Ms. Corbin noted that Governor Whitmer presented her FY2026 State budget recommendation prioritizing workforce development and housing initiatives. The Governor will deliver the State of the State address on February 26, 2025 ([State of the State Address](#)).

### **EXECUTIVE DIRECTOR’S REPORT:**

Executive Director Hovey shared brief updates on two state-funded pilot housing programs [First-Generation DPA](#) and [Employer-Assisted Housing](#).

After the Executive Director’s Report, Ms. Corbin announced the following reports were included in the docket: **(Tab 1)** Draft Annual and 5-Year Public Housing Agency Plans for the Housing Choice Voucher Program; **(Tab 2)** Current and Historical Homeownership Data; **(Tab 3)** Monthly Homeownership Production Report; **(Tab 4)** MI 10K DPA Monthly Statistics (Map); and **(Tab 5)** 2025 Board Calendar.

Ms. Corbin noted that the next regular board meeting would be on March 20, 2025. She then requested a motion to adjourn the meeting. Rachael Eubanks moved to adjourn, and Michele Wildman supported. The meeting adjourned at 10:36 am.

### **REVIEWED:**

    /s/    Laura J. King      
Laura J. King

    /s/    Clarence L. Stone, Jr.      
Clarence L. Stone, Jr.



# MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

## MINUTES OF SPECIAL AUTHORITY MEETING

FEBRUARY 26, 2025

### **AUTHORITY MEMBER(S) PRESENT: LANSING**

Rachael Eubanks  
John Groen  
Jonathan Bradford  
Michele Wildman  
Warren Call  
Jennifer Grau

### **AUTHORITY MEMBERS ABSENT:**

Evangelina Hernandez  
Regina Bell

### **ATTENDEES IN DETROIT:**

Sherry Hicks, MSHDA

### **ATTENDEES IN LANSING/MICROSOFT TEAMS:**

Jacob Albert, MSHDA	Stephanie Latos, MSHDA
David Allen, MSHDA	Tony Lentych, MSHDA
Anthony Amoroso, MSHDA	Kevin Louis, MSHDA
Debra Andrew, MSHDA	Amber McCray, MSHDA
Jolene Archibald, MSHDA	Thomas McKee, MSHDA
Katie Bach, MSHDA	Jennifer McNeely, MSHDA
Lindsey Baker, MSHDA	Margaret Meyers, MSHDA
Lisa Barwick, AG	Christine Miller, MSHDA
Yolanda Bennett, MSHDA	John Millhouse, AG
Matthew Bergeon, MSHDA	Tiffany Mitchell, MSHDA
Diana Bitely, MSHDA	Trenton Mitchell, MSHDA
Cassandra Brown, MSHDA	Brandy Morrell, MSHDA
Samuel Buchalter, MSHDA	Ange Muhire, MSHDA
Christy Capelin, MSHDA	Michael Naberhuis, MSHDA
Megan Castro, MSHDA	Stephanie Oles, MSHDA
Brett Churchill, MSHDA	Quocshawn Parker, MSHDA
Latasha Cole, MSHDA	Amy Patterson, AG
Mary Cook, MSHDA	Jillian Pearson, MSHDA
Andrea Cottrell, MSHDA	Robertta Pearson, MSHDA

Camellia Crowell, MSHDA  
Mason Crozier, MSHDA  
Amanda Curler, MSHDA  
Jacob Eccleston, MSHDA  
Haywood Edwards, MSHDA  
Geoffrey Ehnis-Clark, MSHDA  
Kathryn Evans, MSHDA  
Jason Fedewa, MSHDA  
Jeffrey Fedewa, MSHDA  
Antonette Feldpausch, MSHDA  
Alan Gillis, MSHDA  
Guadalupe Gonzalez-Pilar, MSHDA  
Nicole Hartman, MSHDA  
Kara Hart-Negrich, MSHDA  
Kylie Hayward, MSHDA  
Zachary Herrmann, MSHDA  
Jonathan Hilliker, MSHDA  
Benjamin Honeyford, MSHDA  
Amy Hovey, MSHDA  
Tyler Hull, MSHDA  
Marcel Jackson, MSHDA  
Charlotte Johnson, MSHDA  
Michelle Jurkovic, MSHDA  
Lisa Kemmis, MSHDA  
Sandra Kimball, MSHDA  
Scott Kindinger, MSHDA  
Laura King, MSDHA  
Tiffany King, MSHDA  
Timothy Klont, MSHDA  
Ryan Koenigs knecht, MSHDA  
Ashley Kreiner, MSHDA

Jayde Pettigrew, MSHDA  
Damon Pline, MSHDA  
Joseph Popek, AG  
Cisco Potts, MSHDA  
Shaun Prince, MSHDA  
Josh Pugh, MSHDA  
Liz Rademacher, MSHDA  
Marianna Rosas, MSHDA  
Jaclyn Schafer, MSHDA  
Nicholas Shattuck, MSHDA  
Michael Shelden, MSHDA  
Christopher Shultz, MSHDA  
Brandi Smith, MSHDA  
Christina Soulard, MSHDA  
Clarence Stone, MSHDA  
John Swift, MSHDA  
Jeffrey Sykes, MSDHA  
Lydia Thelen, MSHDA  
Nathan Thelen, MSHDA  
Stacy Thomas, MSHDA  
Rochell Thompson, MSHDA  
Katy VanHouten, MSHDA  
Hilary Vigil, AG  
Michael Vollick, MSHDA  
Karen Waite, MSHDA  
Lisa Ward, MSDHA  
Daphne Wells, MSHDA  
Mark Whitaker, MSHDA  
Justin Wieber, MSHDA  
Likwa Williams, MSHDA

One additional member of the public participated via the Conference Line: Conference ID: 619 226 024#. Chairperson John Groen opened the meeting at 2:03 pm. A quorum was established with the presence of Rachael Eubanks, Jonathan Bradford, Jennifer Grau, Warren Call and Michele Wildman. Members were physically present in Lansing.

Mr. Groen proceeded to request public comments from participants both in-person and via teams. No comments were received.

#### **MEETING ANNOUNCEMENTS:**

Mr. Groen thanked all the Board members for attending this special meeting on such short notice.

**APPROVAL OF AGENDA:**

Rachael Eubanks moved approval of **Tab A** (Agenda). Michele Wildman supported. The agenda was approved.

**REGULAR VOTING ITEMS:**

Clarence Stone, Chief Legal Affairs Officer, and Matthew Bergeon, Director of Asset Management, presented **Tab B**, Resolution Authorizing the Chief Executive Officer and Executive Director to Appoint a Managing Agent for Hope Woods Limited Dividend Housing Association Limited Partnership; **Hope Woods for Seniors, MSHDA Development No. 999**, Oshtemo Township, Kalamazoo County. Mr. Stone and Mr. Bergeon reviewed the resolution as detailed in the board docket.

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

**CHAIR’S REPORT:**

None.

**EXECUTIVE DIRECTOR’S REPORT:**

Director Hovey expressed appreciation for the MSHDA staff in the Legal Affairs and Asset Management Divisions who quickly assembled the information necessary to hold the special meeting and bring Tab B before the Board. Ms. Hovey also thanked the Board members for making themselves available on such short notice.

Mr. Groen noted that the next regular board meeting would be on March 20, 2025. He then requested a motion to adjourn the meeting. Rachael Eubanks moved to adjourn, and Jennifer Grau supported. The meeting adjourned at 2:22 pm.

**REVIEWED:**

    /s/    Laura J. King  
Laura J. King

    /s/    Clarence L. Stone, Jr.  
Clarence L. Stone, Jr.



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:** March 20, 2025  
**RE:** Housing and Community Development Fund—Approval of Grants Listed in Schedules A and B

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**RECOMMENDATION**

I recommend that the Michigan State Housing Development Authority (the “Authority”) adopt a resolution that authorizes the approval of the following grants funded by the Michigan Housing and Community Development Fund (“HCDF”):

- The Implementation of the Statewide Housing Plan Program grants (“Statewide Housing Plan Program Grants”) listed in Schedule A of this Memorandum.
- The Housing Production and Preservation, Capacity Building, Innovation & Strategic Opportunities grant (“HPPCBISO Grant(s)”) listed in Schedule B of this Memorandum.

(The Statewide Housing Plan Program Grants and HPPCBISO Funds Grants are collectively referred to as the “HCDF Grants”).

If approved by the Authority, the total amounts of HCDF proceeds used to fund the HCDF Grants listed in the attached schedules are as follows:

- The Statewide Housing Plan Program Grants listed in Schedule A will not exceed \$3,547,475.
- The HPPCBISO Grants listed in Schedule B will not exceed \$200,020.

**EXECUTIVE SUMMARY**

Public Act 346 of 1966, Part 125.1458a, charges the Authority with administering the Michigan Housing and Community Development Fund (“HCDF”) 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.

Effective February 13, 2024, the Michigan Legislature appropriated to the Authority, pursuant to Public Act 4 of 2023 (“2023 PA 4”),<sup>1</sup> beginning with the 2022-2023 state fiscal year through the 2024-2025 state fiscal year, up to \$50 million, if available, to the HCDF Program. On September

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<sup>1</sup> 2023 PA 4 amends Public Act 281 of 1967, at MCL 206.695(1) et. seq.

19, 2024, the Authority approved the FY2025 - FY2026 HCDF Allocation Plan in order to program the use of HDCF funds. If approved, the Statewide Housing Plan Program Grants identified in Schedule A and the HPPCBISO Grants identified in Schedule B will be funded under the HCDF Program from the 2023 PA 4 appropriation from either FY24 or FY25 funds.

The HCDF Grants have been evaluated by Authority staff for compliance with the HCDF Allocation Plan and requirements, which evaluations have been reviewed and approved by review committees comprised of Authority supervisory staff. The proposed HCDF Grants have been found to be acceptable for Authority approval and will be subject to the terms and conditions required for (a) HCDF funds as appropriate and (b) the execution of grant agreements and disbursement of the HCDF Grants.

### **ADVANCING THE AUTHORITY'S MISSION**

The proposed HCDF Grants will serve to expand access to affordable and attainable housing, address ongoing housing hardships of Michigan residents, and support Michigan's Statewide Housing Plan implementation and priorities that address the housing needs of Michigan residents.

### **REGIONAL HOUSING PARTNERSHIPS**

The proposed HCDF Grants support the goals of the regional housing partnerships.

### **RESIDENT IMPACT**

None.

### **ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS**

None.

**SCHEDULE A**  
MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY  
HOUSING AND COMMUNITY DEVELOPMENT FUNDS (HCDF)  
2023 PUBLIC ACT 4  
IMPLEMENTATION OF THE STATEWIDE HOUSING PLAN PROGRAM  
MARCH 20, 2025 GRANTEE LIST

NAME OF GRANTEE	AMOUNT OF HCDF GRANT	REGION	LOCATION FOR SCOPE OF WORK	SCOPE OF WORK	HOMEOWNER/H OMEBUYER	RENTAL	TERM OF GRANT
Bridge and Stocking LLC	\$1,641,551	Region F	Kent	18 New Units	0	18	April 01, 2025 - March 31, 2027
Stanton & Smith Realty LLC	\$93,700	Region G	Saginaw	2 Unoccupied Units	0	2	April 01, 2025 - March 31, 2027
Fox Brothers Properties LLC	\$134,000	Region J	Cass	3 Unoccupied Units	0	3	April 01, 2025 - March 31, 2027
Ready2Rent Spaces LLC	\$220,000	Region J	Calhoun	2 New Units	0	2	April 01, 2025 - March 31, 2027
Sturgis Neighborhood Program	\$79,224	Region J	Saint Joseph	3 Occupied Rehab	3	0	April 01, 2025 - March 31, 2027
TGK Sustainable Development	\$407,000	Region L	Oakland	4 Unoccupied Units	0	4	April 01, 2025 - March 31, 2027
<b>Adjustment</b>							
Renovare Development*	\$972,000	Region B	Marquette County	3 New Units	3	0	February 01, 2025 - January 31, 2027
<b>Total Approvals Requested</b>	<b>\$3,547,475</b>				<b>6</b>	<b>29</b>	

\*January 23, 2025 Originally granted \$328,000

**SCHEDULE B**  
**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**  
**HOUSING AND COMMUNITY DEVELOPMENT FUNDS (HCDF)**  
**2023 PUBLIC ACT 4**  
**HCDF HOUSING PRODUCTION AND PRESERVATION, CAPACITY BUILDING, INNOVATION & STRATEGIC OPPORTUNITIES**  
**MARCH 20, 2025 GRANTEE LIST**

NAME OF GRANTEE	AMOUNT OF HCDF	STATEWIDE HOUSING PLAN REGION	LOCATION FOR SCOPE OF WORK	SCOPE OF WORK	TERM OF GRANT
<b>MICHIGAN ASSOCIATION OF PLANNING</b>	\$ 100,020	All 15 regions	State of Michigan	Develop materials to help municipalities and developers create more accessible housing and communities.	April 1, 2025 - March 31, 2026
<b>HOUSING KENT</b>	\$ 100,000	Up to 4 regions	State of Michigan	Consulting engagement for select Regional Housing Partnership leads to achieve community engagement.	April 1, 2025 - March 31, 2026
<b>Total Approvals Requested</b>	<b>\$ 200,020</b>				

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**

**RESOLUTION AUTHORIZING GRANTS FROM THE MICHIGAN HOUSING AND  
COMMUNITY DEVELOPMENT FUND**

**March 20, 2025**

WHEREAS, Section 58a of Public Act 346 of 1966, as amended (the "Act") creates and establishes the Michigan Housing and Community Development Fund (the "HCDF") under the jurisdiction and control of the Michigan State Housing Development Authority (the "Authority"); and

WHEREAS, Section 58b(2) of the Act provides that the Authority will identify, select, and make financing available, in any amounts as the Authority determines, from the HCDF for housing for low income, very low income, and extremely low income households and for projects located in a downtown area or adjacent neighborhood, to Section 58(2)(d) defined eligible applicants for Section 58b(3) eligible projects and Section 58c eligible activities; and

WHEREAS, effective February 13, 2024, the Michigan Legislature appropriated to the Authority, pursuant to Public Act 4 of 2023 ("2023 PA 4"), amending Public Act 281 of 1967, at MCL 206.695(1) et. seq., beginning with the 2022-2023 state fiscal year through the 2024-2025 state fiscal year, up to \$50 million, if available, to the HCDF Program.

WHEREAS, on September 19, 2024, the Authority approved the FY2025-FY2026 HCDF Allocation Plan in order to program the use of HCDF funds; and

WHEREAS, Authority staff and the Chief Executive Officer and Executive Director have reviewed the Statewide Housing Plan Program grant proposals listed in Schedule A ("Statewide Housing Plan Program Grants") and recommend that the Authority adopt a resolution authorizing the funding of Statewide Housing Plan Program Grants listed in Schedule A with HCDF proceeds as described in the accompanying memorandum; and

WHEREAS, Authority staff and the Chief Executive Officer and Executive Director have reviewed the Housing Production and Preservation, Capacity Building, Innovation & Strategic Opportunities grant proposal listed in Schedule B ("HPPCBISO Grant") and recommend that the Authority adopt a resolution authorizing the funding of HPPCBISO Grants listed in Schedule B with HCDF proceeds as described in the accompanying memorandum; and

WHEREAS, the Statewide Housing Plan Program Grants, and HPPCBISO Funds Grant heretofore described will be hereafter collectively referred to as the "HCDF Grant(s)"; 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 HCDF Grants shall be expended for one or more of the eligible activities outlined in the Authority's Act and permitted under Rule 125.190 of the Authority's General Rules; and
  - b. in the event that housing units are created or improved with HCDF Grant proceeds, at least twenty percent (20%) of the units in the housing project to be acquired, constructed, rehabilitated, or preserved with HCDF Grant funds shall be set aside for Low Income Households, as defined by the Act and Rule 191 of the Authority's General Rules.
2. That the HCDF Grants are authorized to be used for the purposes and in the amounts set forth in the accompanying memorandum, subject to the conditions contained therein and to the execution of a Grant Agreement between the Authority and the grantees listed in Schedules A and B that shall include the following:
  - a. a provision pursuant to Section 58d(a) providing that the owner and manager agree not to evict a tenant without just cause, as defined in MCL 125.694a;
  - b. a provision pursuant to Section 58d(b) providing for the recapture or de-obligation of some or all of the HCDF Grant for any the reasons specified in Rule 125.196(4) of the Authority's General Rules; and
  - c. performance metrics and reporting requirements as required by HCDF guidelines.
4. That, if an advance or any portion of any HCDF Grant is not used for the intended 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 HCDF Grant, any unused HCDF Grant proceeds that have been disbursed will be returned to the Authority immediately. All HCDF Grant proceeds that have not been used for approved HCDF Grant purposes within two (2) years of the date of this Resolution will be recaptured by the Authority and returned to the Authority's HCDF Fund.
5. That the Chief Executive Officer and Executive Director, the Chief Financial Officer, the Director of Finance, the Chief Legal Affairs Officer, the Director of In-House Legal Services, the Director of Legal Transactions, the Chief Operating Officer, or any person duly appointed and acting in that capacity (each an "Authorized Officer") are each authorized to modify the terms of the HCDF Grant or take such action as, in the discretion of the Authorized Officer may be necessary to assure the administration of the Grant is in compliance with the Consolidated Act, the Act and the General Rules of the Authority, and to effectuate the proposals set forth in the accompanying memorandum. To ensure the efficient use of grant funds, an Authorized Officer is authorized to substitute a HCDF grant with a grant from an alternate, duly authorized funding source.



M E M O R A N D U M

**TO:** Authority Members

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

**DATE:** March 20, 2025

**RE:** Approval of the Annual and 5-Year Public Housing Agency Plans for the Housing Choice Voucher Program

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**RECOMMENDATION**

I recommend that the Michigan State Housing Development Authority (the “Authority”) adopt a resolution approving the Annual Public Housing Agency Plan for fiscal year 2025-2026 (the “Annual PHA Plan”) and the 5-Year Public Housing Agency Plan for 2025-2030 (the “5-Year PHA Plan”) for the Housing Choice Voucher Program (“HCV Program”). The Annual PHA Plan and the 5-Year PHA Plan 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 and the 5-Year PHA Plan are a comprehensive explanation of the Authority’s HCV Program, policies, operations and strategies for meeting housing needs and goals. The Annual PHA Plan for Fiscal Year (“FY”) 2024-2025 and Administrative Plan were approved as amended by the Authority on March 21, 2024. The 5-Year PHA Plan for FY’s 2019-2024 was approved as amended by the Authority on March 28, 2019.

Attachment A contains a report on the progress made for goals set forth in the 5-Year Plan for FYs 2019-2025. Goals and Objectives for the upcoming 5-Year PHA Plan include:

- Expanding the supply of assisted housing.
- Improving the quality of assisted housing.
- Increasing assisted housing choice.
- Promoting self-sufficiency and asset development of families and individuals.
- Helping to ensure equal opportunity in housing.
- Partnering with the designated Michigan Housing Assessment and Resource Agencies (HARAs) to serve as a single resource for housing needs.
- Reducing non-compliance by participants in the Housing Choice Voucher Program.

**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. The following are highlights of the Authority's 5-Year PHA Plan progress since last year's update:

- Applied for and was awarded 53 Foster Youth to Independence vouchers to be utilized in partnership with the Michigan Department of Health and Human Services in counties within the Balance of State Continuum of Care.
- Implemented payment standards based on Small Area Fair Market Rent ("SAFMR") in the Detroit-Warren-Livonia, MI, HUD Metro Fair Market Rent Area, which was in addition to elective zip-code based implementation payment standards based on SAFMR in Kent, Macomb, and Oakland Counties.
- Implemented an HCV Housing Mobility Pilot Program in September 2023, offering housing mobility related services in Kent, Macomb, and Oakland Counties to increase the number of HCV families with children living in opportunity areas.
- 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.
- Applied for and was 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 200 homes by HCV Program participants through the Key to Own Homeownership Program.
- Awarded 995 Project-Based Vouchers (PBV) to forty-nine (49) multi-family developments that will serve supportive housing populations.
- Enrolled over 3,713 new participants and graduated 570 participants from the Family Self-Sufficiency Program resulting in escrow payouts totaling over \$4,000,000.
- Continued partnerships with Continuum of Care bodies on the Campaign to End Homelessness.

## **ADMINISTRATIVE PLAN UPDATES**

There are no proposed Administrative Plan updates.

## **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 changes to the Annual PHA Plan and the 5-Year PHA Plan will assist 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 the 5-Year PHA Plan reflects responsiveness to the communities the Authority serves, and the Authority's commitment to continuous improvement.

## **COMMUNITY SUPPORT**

The changes to the Annual PHA Plan and the Five-Year PHA Plan were previously published and posted on the Authority's website for public review in accordance with HUD requirements. Additionally, e-mail messages announcing the changes 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 conducted on February 24 and 25, 2025. The public was invited to participate in person at the Lansing or Detroit office or virtually via Microsoft Teams and/or Zoom.

The Annual PHA Plan and the Five-Year PHA Plan reflect careful consideration of all comments received. Comments received after adoption of the proposed plans will be considered for subsequent Plan amendments.

Electronic versions of the previously approved Annual PHA Plan for FY 2024-2025, the Annual PHA Plan, and the 5-Year PHA Plan are located on the Authority's Public Housing Authority (PHA) Plan website at [Public Housing Authority \(PHA\) Plan](#).

Both 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.

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**

**RESOLUTION APPROVING ANNUAL PHA PLAN AND 5-YEAR PHA PLAN FOR THE HOUSING CHOICE VOUCHER PROGRAM**

**March 20, 2025**

WHEREAS, the Michigan State Housing Development Authority (the “Authority”) administers the Housing Choice Voucher Program (the “HCV Program”) for the U.S. Department of Housing and Urban Development (“HUD”) through an administrative plan (the “Administrative Plan”) approved by HUD that provides policy information regarding how the Authority implements the HCV Program; and

WHEREAS, the Authority is also required to submit to HUD a Public Housing Agency (“PHA”) Annual Plan for each fiscal year as well as a Five-Year PHA Plan for each five fiscal years; and

WHEREAS, the Authority approved the Fiscal Year 2024-25 Annual PHA Plan on March 21, 2024; and

WHEREAS, the Fiscal Year 2025-26 Annual PHA Plan (the “Annual PHA Plan”) and the Fiscal Years 2025-2030 Five-Year PHA Plan (the “Five-Year Plan” and together with the Annual PHA Plan, the “Plans”) must both be approved by the Authority; and

WHEREAS, Authority staff (a) prepared proposed material changes to the Plans, (b) held public hearings on the Plans and considered comments received, and (c) are submitting final versions of the Plans for approval; and

WHEREAS, the Chief Executive Officer and Executive Director’s Memorandum dated March 20, 2025, attached and incorporated herein, describes the proposed changes and recommends that the Authority approve the changes to the Plans.

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

1. The Authority’s Annual PHA Plan for Fiscal Years 2025-2026 for the HCV Program, as presented to the Authority, is hereby approved.
2. The Authority’s Five-Year PHA Plan for Fiscal Years 2025-2030 for the HCV Program, as presented to the Authority, is hereby approved.
3. The Chairperson of the Authority, the Authority’s Chief Executive Officer and Executive Director, Chief Financial Officer, Chief Legal Affairs Officer, Director of Legal Transactions, Director of In-House Legal Services, the Chief Housing Solutions Officer, or any person duly authorized to act in any of the foregoing capacities (collectively, “Authorized Officers”), or any one of them, each is hereby authorized to execute any and all certifications required by HUD for the filing or submission of the Plans for the HCV Program.
4. The Authorized Officers, or any one of them, each may take such actions as they respectively deem prudent, necessary, or advisable in order to respond to comments or concerns arising from HUD’s review of the Plans.



## MEMORANDUM

**TO:** Authority Members

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

**DATE:** March 20, 2025

**RE:** Recommendation to Authorize Housing Stock and Homeowner Affordability Pilot Program

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### RECOMMENDATION

I recommend that the Michigan State Housing Development Authority (the "Authority") approve a resolution authorizing up to \$15,000,000 of state appropriated funds for a pilot Housing Stock and Homeowner Affordability ("HSHA") Program ("HSHA Pilot Program") to approve loans for single-family housing development activity. The Authority will utilize funds appropriated by the Legislature through the Fiscal Year 2025 budget allocation, Omnibus Budget, SB 747, Part 2, Section 1021.

### EXECUTIVE SUMMARY

The HSHA Pilot Program, as described in the attached Pilot Program Narrative, is a housing development investment tool that will bring housing development professionals, public and private partners, and the Authority together to produce much needed housing opportunities for income-eligible single-family homebuyers.

The loan funding pool will be reviewed on a first-come, first-served basis and the maximum loan amount award under this round will be Two Million Dollars (\$2,000,000) per project. Borrowers who are able to leverage the HSHA Pilot Program loan to obtain third-party funds, including federal funds, equal to or in excess of the loan amount may be eligible for additional gap funds from the Authority as may be needed to reasonably close funding gaps for project completion. The maximum grant award under this round will be Three Million Dollars (\$3,000,000), available through the existing MI Neighborhood program, to which a borrower awarded an HSHA Pilot program loan may apply. The purpose of this program is to encourage construction and rehabilitation of single-family homes for purchase, at scale, and the program requires a minimum of four (4) homes resulting from any funded development. Various paths to homeownership may be encouraged, including rent-to-own.

The HSHA Pilot Program is open to any developer entity authorized to receive loans or grants under the MSHDA Act. Eligibility for an additional grant must include a verifiable “match” or leveraged contribution from a third party and will be considered under the Authority’s existing MI Neighborhood program.

All HSHA funded housing units must be attainable to, and occupied by, income eligible households whose annual income does not exceed 120% Area Median Income. Applicants must commit to maintaining affordability of the HSHA housing units in accordance with HSHA Pilot Program requirements. At initial funding, the borrower will enter a use agreement restricting all properties being developed as part of the HSHA Pilot Program funded project. Following the initial sale of each unit to an eligible homebuyer, a use agreement will be entered restricting the unit for an additional five (5) years. Upon acquisition and before sale to a homebuyer, the borrower will be subject to a use agreement that restricts the sale or interim leasing of each unit to an eligible renter for an additional ten (10) years.

Authority staff will begin program activity following program approval by authorizing loans that fit the criteria set forth in the attached Administrative Plan on a first-come, first-served basis pursuant to a review process that limits decisions of Authority staff to ministerial decisions. Any applications that do not fit the program criteria and/or require decisions that exceed ministerial limits will be rejected or brought before the Authority for approval.

## **ADVANCING THE AUTHORITY’S MISSION**

Approval of this action will enable the Authority to fund innovative single-family housing projects and programs in support of the Authority’s mission, including its legal mandates to provide affordable housing, critical to protecting the health, safety, and welfare of Michigan residents.

## **COMMUNITY ENGAGEMENT/IMPACT**

Through this pilot program, new and rehabilitated, affordable, single-family homes will enhance the state’s housing stock.

## **ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS**

This pilot program will provide the evidence necessary to determine the potential scope and need of this program going forward. The program terms are in accordance with the statutory terms of the legislative appropriation.



# HOUSING STOCK AND HOMEOWNER AFFORDABILITY PROGRAM PILOT PROGRAM NARRATIVE

## INTRODUCTION

The Housing Stock and Homeowner Affordability (“HSHA”) Program is a housing development lending pilot program that will bring housing development professionals, public and private partners, and the Michigan State Housing Development Authority (“Authority” or “MSHDA”) together to produce much needed housing opportunities for income-eligible tenants and homeowners.

As part of the Fiscal Year 2025 State of Michigan General Omnibus budget, the Legislature directed to the Authority approximately Thirty-Three Million Dollars in funds “for housing stock and homeowner affordability to increase this state’s housing stock and affordability for prospective homeowners through the construction of new single-family and multi-family housing units, renovation of existing single-family and multifamily housing units, and completion of energy efficiency improvements.” (SB 747, Part 2, Sec. 1021).

## PURPOSE

The Authority’s efforts to promote the State’s housing production goals, and the objectives of the Statewide Housing Plan, have generally focused on lending programs for multifamily housing development, and grant programs supporting small-scale, single-family housing development and energy efficiency improvements. This pilot program will serve to encourage affordable, single-family home construction, acquisition, rehabilitation and sale, at a larger scale than supported by previous efforts.

## DETAILS

The HSHA Program is being funded with an amount not to exceed \$15 million of the State of Michigan appropriations. Future rounds of funding may be made available with additional support from the state legislature.

The Authority will award Pilot funds with the primary goal of allowing developments to be processed as they are ready to move forward. The funding will be awarded on a first-come-first-served basis; to eligible applicants authorized to receive loans or grants under the Authority’s Act.

Eligible developments must comply with the following:



1. New construction or substantial rehabilitation (or combination thereof) of 4 or more single-family housing units.
2. Substantial rehabilitation means rehabilitation of a housing unit that requires a financial investment of at least \$25,000.
3. For-sale housing, though the developer may enter into rent-to-own agreements with future homebuyers, subject to Authority staff approval of terms.
4. Qualifying unit(s) must be a dwelling that has a permanent foundation, electrical, heating and cooling, plumbing, bathing and restroom facilities, kitchen and sleeping spaces, all of which meet building code requirements to achieve a certificate of occupancy.
5. All HSHA Pilot assisted housing units must be attainable to households whose income does not exceed 120% of Area Median Income as determined by the U.S. Department of Housing and Urban Development, meaning that housing expenses will not exceed 30% of income. MSHDA will publish program income/rent limits on its website to assist applicants with meeting these requirements.
6. Applicants must commit to maintaining affordability of the assisted housing units for a period of no less than 5 years beginning with the initial purchase of the assisted unit by an eligible homebuyer.
7. Upon acquisition and prior to subsequent sale, the applicant borrower will be subject to a use agreement that restricts the leasing of each unit, such as with a rent-to-own path toward homeownership, to an eligible renter for an additional ten (10) years.

HSHA Pilot funding awards to projects will be made in the form of loans that are not subject to interest accruing upon principal but are instead subject to a three percent (3%) of the principal per annum administrative fee, paid annually, in advance, based upon the then-applicable principal balance. This fee represents the real economic cost of project monitoring and reporting. Individual loans made under the Pilot program will not exceed Two Million Dollars (\$2,000,000) per development. In the event that the identified borrower is able to identify matching funds from third-party sources, equal to or exceeding the Authority HSHA loan amount, the development may be eligible for an additional, subordinate grant in an amount sufficient to close project funding gaps, as determined by Authority staff. Grants will be awarded via the existing MI Neighborhood program.

The process for determining the award of loans is expected to require ministerial decisions by Authority staff, thereby allowing loan commitments to be issued by the Chief Executive Officer and Executive Director. If an application (i) does not fit the criteria set forth in the attached Administrative Plan, (ii) requires decision making by any Authority staff member that exceeds the limits of being "ministerial," or (iii) is beyond the scope of this HSHA Pilot, the application will be (a) rejected or (b) brought before the Authority for review and approval or rejection.

The HSHA Pilot program is contingent upon the availability of legislative appropriations for the stated purpose of this program. If, as a function of legislative action, the terms of the appropriations are changed, or the appropriation is reduced or eliminated, this program may be suspended or ended without further action of the Authority.

**ATTACHMENTS**

The following items are accompanying this general program narrative:

1. Summary Term Sheet (page 3)
2. HSHA Pilot Program Administrative Plan (page 7)

<b>HOUSING STOCK AND HOMEOWNER AFFORDABILITY PILOT PROGRAM SUMMARY TERM SHEET</b>	
<b>Program Overview</b>	The Housing Stock and Homeowner Affordability (HSHA) Pilot program is a housing development investment tool that will bring developers, public and private partners, housing development professionals, and the State of Michigan together to produce much needed housing opportunities to homebuyers. Utilizing income targets of up to 120% of Area Median Income (AMI), this HSHA Pilot program will incentivize production of single-family housing at scale.
<b>Program Goal</b>	To encourage and support single-family home construction and rehabilitation for sale to homebuyers or lease to renters as a path to homeownership, with energy efficiency improvements, per the FY 2025 General Omnibus budget for the State of Michigan.
<b>Size of Program</b>	Initial allocation of up to \$15,000,000.
<b>Program Timing</b>	Subject to continued availability of legislatively appropriated funds, the Pilot program will begin upon approval by the Authority.
<b>City/Village/ Township Limit</b>	No municipality-based limitations on eligible applicants for the Pilot program.
<b>Partnership Regional Targets</b>	Specific regional targets that correspond to the Statewide Housing Plan may be considered if future funding is secured for the program.
<b>Rural Community Target</b>	No rural targeting, but only during the Pilot program. Rural projects are eligible to apply during the Pilot. Future funding may include a target of the total funding available to be allocated to projects in rural communities. For these purposes, a rural community is any geography designated by the U.S. Department of Agriculture – Rural Development as rural for purposes of its single-family housing guaranteed loan program.

<p><b>Eligible Real Estate Developments</b></p>	<p>Eligible real estate developments must comply with the following:</p> <ol style="list-style-type: none"> <li>1. Project must consist of new construction or substantial rehabilitation (or a combination of both) of four or more single-family housing units made available at a price or lease-to-own rate that is attainable to a household at or below 120% AMI.</li> <li>2. Substantial rehabilitation means rehabilitation of a housing unit that requires a financial investment of at least \$25,000.</li> <li>3. For-sale housing.</li> </ol> <p>Qualifying unit(s) must be placed on a permanent foundation, with electrical, heating and cooling, plumbing, bathing and restroom facilities, kitchen and sleeping spaces - all of which meet building code requirements to achieve a certificate of occupancy.</p>
<p><b>Accessibility</b></p>	<p>MSHDA recognizes the need for more accessible and adaptable housing and will endeavor to ensure HSHA funds help increase accessibility by requiring accessibility in accordance with the Michigan Building Code. When MSHDA refers to “building accessibility” this refers to the Michigan Building Code, International Code Council, Fair Housing Act, and the Uniform Federal Accessibility Standard as the source for 3 levels of accessibility. The construction industry uses the terms Type A, Type B, and Type C units from the building code. For Type C units, MSHDA reserve the right to allow for exceptions.</p>
<p><b>Loan Terms</b></p>	<p>The HSHA Pilot Program will have at a minimum, compliance requirements as follows:</p> <ol style="list-style-type: none"> <li>1. Thirty (30) year repayment period, with principal reductions made from the proceeds of individual home sales.</li> <li>2. In lieu of charging interest on principal, an Administrative Fee of the Three percent (3%) of the principal balance will be due annually, in advance, beginning at closing. This administrative fee is intended to reflect only real economic costs, as a mission-driven activity.</li> <li>3. A use agreement to be recorded against the HSHA-funded development properties , limiting subsequent transfers of ownership to income qualified occupants.</li> <li>4. Five-year compliance period for primary residence from the date of purchase of the qualified property from the borrower by an eligible homebuyer.</li> <li>5. From the date of acquisition, the borrower will be subject to use agreement, recorded in title,that restricts the sale or interim leasing of any unit to an eligible renter for an additional ten (10) years.</li> </ol> <p>The maximum loan amount to a single borrower is \$2,000,000, within each loan to a single borrower, no more than \$250,000 in loaned funds may be applied to any individual unit.</p>

<p><b>Grant and Size of Grant Award</b></p>	<p>Borrowers who demonstrate commitments for leveraged or matching funds equal to or exceeding the loan amount may be eligible for a MI Neighborhood grant, to help close reasonable gap costs for project completion. The maximum grant amount to a single development project is \$3,000,000.</p>
<p><b>Applicant Limit</b></p>	<p>For purposes of this pilot program, an applicant may submit one application. If a developer partners with another developer, that joint application would count as each partner's only submission during this pilot program.</p>
<p><b>Eligible Expenses</b></p>	<p>Expenditures of loan and grant funds may be applied to acquisition and the hard costs for construction and/or rehabilitation.</p>
<p><b>Income Targeting</b></p>	<p>The HSHA Pilot program is intended to serve households with incomes at or below 120% of the area median, as posted on MSHDA's website.</p>
<p><b>Eligible Applicants</b></p>	<p>Applicants for the HSHA Pilot Program are required to demonstrate to the program administrator that it has the capacity to complete the project, either with or without a development partner, and the ability to implement rent and purchaser restrictions under the terms specified in the agreement for a project; borrowers must be eligible entities under the Act, and otherwise comply with program terms.</p>
<p><b>Federal Financing</b></p>	<p>Pursuant to the Omnibus Budget allocation providing the funds for this Pilot program, the Development may be leveraged with federal sources that align with the objectives of the Pilot program</p>
<p><b>Project Compliance</b></p>	<p>Following disbursement of funds to or on behalf of the developer, each HSHA Pilot program assisted property will be subject to a use restriction restricting sale and occupancy of the property to income qualified persons. Upon the initial sale of an assisted unit, the property shall be subject to a use restriction restricting the subsequent sale or transfer for such unit, to income qualified persons, for a period of five (5) years.</p>
<p><b>Project Timeline</b></p>	<p>Projects that are not yet ready to proceed prior to application will be issued a Letter of Intent regarding the Pilot program loan, on such terms and conditions and in a form as the Authority's Chief Legal Affairs Officer finds acceptable. The Letter of Intent may be employed to assist the borrower in obtaining commitments for matching or leveraged funds.  Individual, single-family units must secure a Certificate of Occupancy within 24 months from</p>

	<p>acquisition by the borrower; or 24 months from loan closing in the event subject properties are already owned by the borrower; however:</p> <ul style="list-style-type: none"> <li>• The developer may seek an extension from the program administrator that cannot exceed a total development time frame of 36 months.</li> <li>• Under no circumstances can an extension(s) exceed a total development time frame of 36 months.</li> </ul> <p>Borrowers are required to submit quarterly progress reports.</p>
<p><b>Funding Disbursements</b></p>	<p>HSHA Pilot program funding will be available for disbursement to real estate projects at the project's closing once the loan documents are executed, and a use restriction to be recorded against the property, securing affordability for a term of years, has been executed. Proceeds will be available on a draw basis, periodically reimbursing the borrower for eligible expenditures, up to the maximum amount of the loan, minus any applicable administrative fee. Draws shall be submitted to MSHDA staff in such form and with such supporting expenditure documentation as MSHDA staff shall deem reasonably prudent.</p> <p>The borrower must submit to the Authority the Contractor's Final Costs Certification within ninety (90) days after the end of the Construction Period for each unit constructed, and the borrower's Final Costs Certification within 90 days following the construction of the final unit in the Development, in accordance with the Authority's Contractor's and Mortgagor's Cost Certification Guide Policy in effect as of the date of closing on the Mortgage Loan.</p>

# HOUSING STOCK AND HOMEOWNER AFFORDABILITY PROGRAM

As of March 20, 2025

## ADMINISTRATIVE PLAN

The Housing Stock and Homeowner Affordability (HSHA) Pilot program is a housing development tool, funded by an appropriation from the Legislature of the State of Michigan, that will encourage development of quality, affordable, single-family housing at scale.

Borrowers that provide a match of cash investment or leveraged funds from third-party sources, including federal sources, may be eligible to receive additional grant resources via the MI Neighborhood Program in order to produce new housing opportunities and energy efficiency improvements for Michigan homebuyers.

## PROGRAM OVERVIEW

The Authority's efforts to promote the State's housing production goals, and the objectives of the Statewide Housing Plan have generally focused on lending programs for multifamily housing development, and grant programs supporting small-scale, single-family housing development and energy efficiency improvements. This pilot program will serve to encourage affordable, single-family home construction, acquisition, rehabilitation and sale, at a larger scale than supported by previous efforts.

All HSHA Pilot assisted housing units must be attainable to households whose income does not exceed 120% of Area Median Income as determined by the U.S. Department of Housing and Urban Development, meaning that housing expenses will not exceed 30% of income. MSHDA will publish program income/rent limits on its website to assist applicants with meeting these requirements.

In the event that the identified borrower is able to identify matching funds from third-party sources, equal to or exceeding the Authority loan amount, the development may be eligible for an additional, subordinate grant from the Authority in an amount sufficient to close project funding gaps through the Authority's MI Neighborhood program. The Authority's Chief Executive Officer and Executive Director, or its designated authorized officer, will have the sole discretion to determine the viability and final valuation of all proposed matching or leveraged contributions

## PROGRAM GOAL

To incentivize the creation of housing opportunities for the Michigan single-family homebuyers with incomes up to 120% of Area Median Income.

## SIZE OF PROGRAM

This is a pilot program that will utilize up to \$15,000,000 of funds appropriated by the Legislature through the Fiscal Year 2025 budget allocation. The HSHA Pilot program is contingent upon the availability of legislative appropriations for the stated purpose of this program. If, as a function of legislative action, the terms of the appropriation are changed, or the appropriation is reduced or eliminated, this program may be suspended without further action of the Authority.

## FUNDING DISBURSEMENTS

HSHA Pilot program funding will be available for disbursement to real estate projects at the project's closing once the loan documents are executed, and a use restriction to be recorded against the property, securing affordability for a term of years, has been executed. Proceeds will be available on a draw basis, periodically reimbursing the borrower for eligible expenditures, up to the maximum amount of the loan, minus any applicable administrative fee. Draws shall be submitted to MSHDA staff in such form and with such supporting expenditure documentation as MSHDA staff shall deem reasonably prudent.

The borrower must submit to the Authority the Contractor's Final Cost Certification within ninety (90) days after the end of the Construction Period for each unit constructed, and the borrower's Final Cost Certification within 90 days following the construction of the final unit in the Development, in accordance with the Authority's Contractor's and Mortgagor's Cost Certification Guide Policy in effect as of the date of closing on the Mortgage Loan.

## INCOME TARGETING

This program is intended to serve homebuyer households with incomes at or below 120% of the area median (AMI), as posted annually on MSHDA's website.

## ELIGIBLE APPLICANTS

Applicants for the HSHA Pilot Program are required to meet the following:



1. Be organized as an entity eligible to borrow funds or receive grants under the Authority's Act.
2. An applicant must:
  - a. Pass a criminal and civil background check of key employees; and
  - b. Not be under debarment with the U.S. Government or State of Michigan.
3. Demonstrate to the program administrator that it has the capacity to complete the project, either with or without a development partner, and the ability to implement purchaser or lease restrictions for the terms that will be specified in the agreement for a project.

#### EXTERNAL MATCH

Borrowers who demonstrate commitments for leveraged or matching funds equal to or exceeding the loan amount may be eligible for a grant, from the MI Neighborhood program funds, to help close reasonable gap costs for project completion. The maximum grant amount to a single development project is \$3,000,000.

#### FEDERAL FINANCING

Pursuant to the Omnibus Budget allocation providing the funds for this Pilot program, the Development may be leveraged with federal sources that align with the objectives of the Pilot program.

#### GENERAL ELIGIBILITY FOR PROGRAMS AND DEVELOPMENTS

Eligible real estate developments must comply with the following:

1. Project must consist of new construction or substantial rehabilitation (or a combination of both) of four or more single-family housing units made available at a price that is attainable to a household at or below 120% AMI, meaning that housing expenses will not exceed 30% of income.
2. Substantial rehabilitation means rehabilitation of a housing unit that requires a financial investment of at least \$25,000.
3. Result in safe, sanitary and quality for-sale housing.

Qualifying unit(s) must be placed on a permanent foundation, with electrical, heating and cooling, plumbing, bathing and restroom facilities, kitchen and sleeping spaces - all of which meet building code requirements to achieve a certificate of occupancy.

## ACCESSIBILITY

MSHDA recognizes the need for more accessible and adaptable housing and wishes to encourage the building of it with this funding. Based on CDC data Michigan has a 27% disability rate among adults, meaning one out of every four adults in Michigan has a disability, with 12% being mobility, 6% hearing and 4% vision. The older adult population in the state is growing and so is the need to build housing designed for residents to age in place. Investing in accessible and adaptable housing with the funding from this program will address these demands and further equitable housing opportunities.

When MSHDA refers to “building accessibility” this refers to the Michigan Building Code, International Code Council, Fair Housing Act, and the Uniform Federal Accessibility Standard as the source for 3 levels of accessibility. The construction industry uses the terms Type A, Type B, and Type C units from the building code. For Type C units, MSHDA reserves the right to allow for exceptions.

Developers are encouraged to make as many units adaptable and/or visitable as possible, but MSHDA will not require either should it be unreasonable to retro-fit.

### Physically Accessible Housing:

Both privately owned and publicly assisted housing, regardless of whether the housing is rental or for sale, must meet the accessibility requirements.

MSHDA reserves the right to allow for exceptions on a case-by-case basis.

## SIZE OF LOAN AND GRANT AWARDS

MSHDA reserves the right to update these figures as necessary to account for annual economic inflation, changes in market conditions, or to ensure the overall success of the program. In doing so, MSHDA will post updates to these figures on its website.

The maximum loan amount to a development project is \$2,000,000. Additionally, the loan amount may not exceed \$250,000 per affordable unit.

In the event that the borrower is able to demonstrate, to MSHDA staff, commitments for matching or leveraged funds in an amount equal to or exceeding the awarded loan amount, the borrower may additionally be eligible for a grant from the MI Neighborhood program, to help close

reasonable funding gaps for project completion, in an amount not to exceed \$3,000,000 per project.

## REVIEW CRITERIA

For any real-estate development project, the following items must be provided to MSHDA staff to review as part of the HSHA Pilot project application before a Letter of Intent may be issued by the Authority:

1. Executive Summary
2. Anticipated Funding Pro-Forma
3. Anticipated Financial Sources (with supporting documentation)
4. Scope of Work
5. Articles of Incorporation for an entity eligible to receive grant or loan under the Authority's Act
6. Certificate of Good Standing/able to do business in the State of Michigan for an entity eligible to receive grant or loan under the Authority's Act.
7. Description of Joint Venture (if applicable)

Before MSHDA staff will enter into the note(s), mortgage(s), regulatory agreement(s), and other loan closing documents as deemed prudent and necessary by the Authority's Chief Legal Affairs Officer, the borrower must additionally provide:

1. Financial sources (with supporting documentation)
2. Funding proforma
3. Site Control (for unit(s) acquired)
4. Title Insurance Commitment
5. Zoning Documents
6. Site Plan Approval
7. Site Utility Availability
8. Proposed Site Layout
9. Architectural Floor Plan(s)
10. Property Tax Documentation
11. Market Study
12. Environmental Study (if required)
13. Tenant Relocation documentation (if applicable)

Before MSHDA will consider additional grant funding to the borrower via the MI Neighborhood program, the borrower must additionally provide the following in form and substance acceptable to MSHDA's Chief Legal Affairs Officer:

1. Firm commitment(s) from third-party sources, including as applicable, federal funding sources, in amounts that total or exceed the MSHDA loan amount.

2. Funding proforma demonstrating gap in sources.
3. Sources of funds for any gap in funding that MSHDA declines to fill via grant funds.
4. Formal application to the MI Neighborhood program, which accepts grant applications on a rolling basis.

Before MSHDA staff will process and disburse a draw of funds for a loan, the borrower must additionally provide supporting documentation to MSHDA staff in such form and with such supporting expenditure documentation as MSHDA staff shall deem reasonably prudent.

Should MSHDA staff determine that any program submission is not substantially complete, the borrower will be notified that the funding process will not be further processed or added to the processing pipeline until it is complete.

Individual, single-family units must secure a Certificate of Occupancy within 24 months from acquisition by the borrower; however:

- The developer may seek an extension from the program administrator that cannot exceed a total development time frame of 36 months.
- Under no circumstances can an extension(s) exceed a total development time frame of 36 months.

Projects that have been reviewed by Authority staff and have been found to fulfill the criteria set forth herein may receive a loan commitment issued by the Authority's Chief Executive Officer and Executive Director. All loans that have received commitments issued by the Chief Executive Officer and Executive Director shall be reported quarterly as delegated actions to the Authority. For any loan that (i) does not fit the criteria set forth herein, (ii) requires decision making by any Authority staff member that exceeds the limits of being "ministerial," or (iii) is beyond the scope of this HSHA Pilot Program, the application will be (a) rejected or (b) brought before the Authority for review and approval or rejection.

Projects are required to submit quarterly progress reports.

## PROGRAM AND PROJECT COMPLIANCE

The HSHA Pilot Program will have at a minimum, compliance requirements as follows:

1. At HSHA loan closing, a use agreement will be recorded in title upon borrower's land to be used for the HSHA funded project, requiring its development for single-family housing to be sold to or occupied by persons whose income does not exceed 120% AMI and such additional terms as may reasonably be required by the MSHDA Chief Legal Affairs Officer.
2. Five-year compliance for primary residence from the date of purchase of the qualified property, by an eligible homebuyer, restricting subsequent sales to income qualified

persons.

3. Upon acquisition, the borrower must enter into a use agreement that restricts the sale or interim leasing of each unit to an eligible renter for an additional ten (10) years

Following disbursement of funds to or on behalf of the developer, each HSHA Pilot Program housing unit, identified in the loan documents and other applicable program documentation, will be required to demonstrate compliance with program requirements at initial occupancy of the unit or when a unit is vacated, and a new household moves in for the duration of the five-year compliance period.

At the time when a Certificate of Occupancy is secured, projects will be required to report the following items to MSHDA staff:

1. Total number of units developed within project
2. Total square footage of project and square footage of each unit type
3. Total project costs. See above for a summary of how projects will be required to verify the total project costs, such as with a third-party CPA Cost Certification
4. Total project costs not covered under the loan and/or grant

Additionally, projects may be required to report the following on an annual basis:

For-Sale Units:

1. The price of each unit that is sold during the reporting year as well as tenant income verifications as may be required.
2. Other documentation as required by MSHDA in order to determine compliance with the HSHA Pilot Program requirements.

Rent-to-Own Units:

1. A statement of the rental rate of each housing unit for rent within the project during the reporting year
2. A statement of the income stated on the tenant applications for the project during the reporting year
3. A statement of the occupancy rate of the project during the reporting year
4. Other documentation as required by MSHDA in order to determine compliance with the HSHA Pilot Program requirements

MSHDA Asset Management staff will determine the appropriate processes for on-going project and program reporting. This will also include any and all long-term monitoring post construction.

MSHDA staff will review the program at the completion of the pilot for both effectiveness of the program and the efficiency of the distribution of funds. A report will be presented to the MSHDA Board of Directors quarterly, and prior to the commencement of any additional funding rounds.

#### **PROGRAM MODIFICATION, NOTIFICATIONS, AND ADDENDA**

All modifications, notifications, and addenda will be posted to the program website in a timely manner.

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**  
**RESOLUTION AUTHORIZING APPROVAL OF**  
**PILOT HOUSING STOCK AND HOMEOWNER AFFORDABILITY PROGRAM**

**March 20, 2025**

WHEREAS, the Michigan State Housing Development Authority (the "Authority") has received the Chief Executive Officer and Executive Director's memorandum regarding the establishment of a pilot Housing Stock and Homeowner Affordability ("HSHA") program, which is a state-funded loan program appropriated by the Michigan Legislature within the FY 2025 Omnibus, 2024 SB 747, Part 2, Sec. 1021 to develop a pilot program that will bring housing development professionals, public and private partners, and the Authority together to produce much needed homeownership opportunities for income-eligible homebuyers; and

WHEREAS, the Chief Executive Officer and Executive Director has recommended that the Authority grant the Chief Executive Officer and Executive Director, an Authorized Officer of the Authority under the Authority's Signatory Resolution dated May 16, 2024, or anyone acting in those capacities respectively, the authority to select and administer loans as further described in the accompanying memorandum, HSHA Program--Pilot Program Narrative, Summary Term Sheet and HSHA Program Administrative Plan; and

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

NOW, THEREFORE, Be It Resolved that the Michigan State Housing Development Authority authorizes the establishment and administration of the pilot Housing Stock and Homeowner Affordability Pilot Program as described in the attached memorandum, HSHA Program--Pilot Program Narrative, Summary Term Sheet and HSHA Program Administrative Plan.




# 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 20, 2025

**RE:** HōM Flats at 28 West Phase 3, Development No. 44c-228 (the "Development")

---

### RECOMMENDATION

I recommend that the Michigan State Housing Development Authority (the "Authority") adopt an inducement resolution with respect to the project described in the attached report.

### PROJECT SUMMARY

MSHDA No.:	44c-228
Development Name:	HōM Flats at 28 West Phase 3
Development Location:	City of Wyoming, Kent County
Sponsors:	Magnus Capital Partners LLC and Vishal Aurora
Borrower:	28WPHASETHREE Limited Dividend Housing Association Limited Partnership
Number of Units:	225 Family Units
Number of Accessible Units:	12
Construction Method:	New Construction
Financing Program:	Limited Obligation Revenue Bonds issued under Section 44c
Pass Through Gap PA5:	\$5,000,000
Total Loan Amount:	\$39,000,000 (53.71% of aggregate basis)
Aggregate Basis:	\$72,616,448
Total Development Cost:	\$81,796,183 (estimated)
Credit Enhancement:	Cash Collateral from Construction Financing provided by Merchants Bank of Indiana during construction loan term; Standby Credit Enhancement Agreement during the permanent loan term.

### EXECUTIVE SUMMARY

Magnus Capital Partners LLC and Vishal Arora (collectively, the "Sponsors") proposes to construct the Development, which will consist of 225 affordable housing units located in the City



of Wyoming, Kent County, Michigan. The Development will be constructed using a construction loan financed with the proceeds of a single issue of bonds issued pursuant to Section 44c of the Authority's enabling act. Upon completion of construction and certain other conditions of conversion, the Bonds will be subject to mandatory tender, purchase, partial payment and conversion to a tax-exempt note to provide permanent financing for the Development. In connection therewith, the Federal Home Loan Mortgage Corporation ("Freddie Mac") will enter into a Standby Credit Enhancement Agreement to serve as credit enhancement. The Development, as proposed, meets the requirements of Section 44c, and repayment of the bonds will be reasonably secure based on the following: (a) cash collateral intended to secure such repayment and held by the trustee for the bonds; and (b) a Freddie Mac Standby Credit Enhancement Agreement during the permanent loan term.

The Development is located within Region F of the Statewide Housing Plan Regional Housing Partnerships and will support the following goal of the Region F Action Plan:

- 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 Developer's application satisfies the requirements for the issuance of an inducement resolution under Section 44c of the Authority's Act and the Amended and Restated Pass-Through Bond Program statement.
- 225 units of family housing will be newly constructed in the Wyoming community.
- The repayment of the limited obligation bonds will be reasonably secure based on the proposed collateral.

#### **ADVANCING THE AUTHORITY'S MISSION**

- Approving an inducement resolution will allow this proposal to incur costs necessary for constructing the Development.
- 13.78% of the units (31 units) will be reserved for households whose income is at or below 40% of Area Median Income ("AMI"); 17.78% of the units (40 units) will be reserved for households at 50% of AMI; 18.67% of the units (42 units) will be reserved for households at 60% of AMI; 16.89% of the units (38 units) will be reserved for households at 70% of AMI; 14.22% of the units (32 units) will be reserved for households at 80% of Area Median Income; and 18.67% of the units (42 units) will be market rate.
- Additional details are provided on page 2 of the Staff Report.

#### **MUNICIPAL SUPPORT**

- The Development has been granted a tax exemption and payment in lieu of taxes under the Act.

#### **COMMUNITY IMPACT**

- It is anticipated that the construction of the Development will create four (4) permanent jobs and zero (0) temporary jobs.

#### **RESIDENT IMPACT**

- The Wyoming community will benefit from the construction of new, affordable housing units.
- The community will be invited to engage in a public virtual hearing (TEFRA Hearing) regarding the bond funding preceded by a public notice.

### **ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS**

- The Development is the third phase of the HōM Flats at 28 West development. Phases 1 and 2 received financing from the Authority's direct lending program.
- The Authority's Office of Market Research ("OMR") identified concerns with financing the third and final phase of the project prior to reaching stabilized occupancy on Phase 1 and Phase 2. OMR cited leasing concerns with units at the upper AMI levels of Phase 1 and Phase 2. After reviewing these concerns with the Sponsors and their management staff, the Director of Development and Chief Housing Investment Officer recommend proceeding to inducement (and ultimately bond issuance and loan commitment) notwithstanding that OMR has not given its signoff. This recommendation is based on the premise that this third phase will complete the housing strategy for the site and that all three phases will benefit from the enhanced traffic (having frontage on 28<sup>th</sup> Street), visibility, and amenities that Phase 3 will bring to the site. Additionally, the Sponsors and management company have revamped their marketing/management strategy and have demonstrated positive trajectory on the lease-up of Phases 1 and 2 in recent months. For these reasons, Phase 3 is recommended for approval.



## AMENDED AND RESTATED PASS-THROUGH BOND PROGRAM

### INDUCEMENT RESOLUTION STAFF REPORT

March 20, 2025

#### **RECOMMENDATION:**

Adopt an inducement resolution with respect to the project described in this report.

#### **ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:**

The Development is the third phase of the HōM Flats at 28 West development. Phases 1 and 2 received financing from the Authority under its direct lending program.

#### **PROJECT SUMMARY:**

MSHDA No.:	44c-228
Development Name:	HōM Flats at 28 West Phase 3
Development Location:	City of Wyoming, Kent County
Sponsor:	Magnus Capital Partners LLC and Vishal Arora
Borrower:	28WPHASETHREE Limited Dividend Housing Association Limited Partnership
Number of Units:	225 Family Units
Number of Accessible Units:	12
Construction Method:	New Construction
Financing Program:	Limited Obligation Revenue Bonds issued under Section 44c
Pass Through Gap PA 5:	\$5,000,000
Total Loan Amount:	\$39,000,000 (53.71% of aggregate basis)
Aggregate Basis:	\$72,616,448
Total Development Cost:	\$81,796,183 (estimated)
Credit Enhancement:	Cash Collateral from Construction Financing provided by Merchants Bank of Indiana during construction loan term; Standby Credit Enhancement Agreement during the permanent loan term.

The material contained in this staff report is submitted to the Authority for information 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 bonds 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 bonds that are not general obligations of the Authority and are not backed by the moral obligation of the State. The bonds are "limited obligations" of the Authority with the security limited to the assets of the borrower, the project itself, and the credit enhancement arranged by the borrower. These are generally referred to as "Pass Through" bonds.

On July 18, 2024, the Authority re-authorized the Amended and Restated Pass-Through Bond Program, increasing the maximum allocation to \$350 million in tax-exempt bond volume cap. This program imposes minimum rent and income targeting requirements of either 40% of the units at 60% of area median income or 20% of the units at 50% of area median income. At least ten percent (10%) of the Development's units must be more deeply targeted to households whose income is at or below 40% MTSP Limit. The Program sets a limit on the bond allocation available per sponsor. It also requires limited market and environmental reviews, compliance with state EEO requirements and establishes a cap on the distributions of cash made to the owner.

**CONDITIONS:**

1. **Income Limits:**

The Borrower must enter into a Regulatory Agreement with the Authority requiring units in the Development to be rented or available for rental by tenants whose income does not exceed the limits established for Multifamily Tax Subsidy Projects ("MTSP") 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. The Regulatory Agreement will contain the following income restrictions: Thirty-one (31) units in the Development must be rented or available for rental to tenants whose household income does not exceed the 40% MTSP Limit; forty (40) units must be rented or available for rental to tenants whose household income does not exceed the 50% MTSP Limit, adjusted for family size; forty-two (42) units in the Development must be rented or available for rental to tenants whose household income does not exceed the 60% MTSP Limit; thirty-eight (38) units in the Development must be rented or available for rental to tenants whose household income does not exceed the 70% MTSP Limit, adjusted for family size; and thirty-two (32) units in the Development must be rented or available for rental to tenants whose household income does not exceed the 80% MTSP Limit, adjusted for family size, so long as the average income of the restricted units in the Development is no more than the 60% MTSP Limit. The remaining forty-two (42) units may be rented without regard to household income.

These limitations on household income shall be contained in a covenant running with the land and shall remain in effect for the period that the Authority Bonds (as defined below) remain outstanding, but in no event for less than the period of time required by the terms of the LIHTC Regulatory Agreement or the period required by Section 142(d) of the Code.

2. **Limitations on Rental Rates:**

The Regulatory Agreement must require that the monthly tenant-paid rent (excluding subsidy) plus tenant-paid utilities (the "Total Housing Expense") on the 31 deeply-targeted 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. The Total Housing Expense for 40 units may not exceed 30% of 1/12 of the 50% MTSP Limit, assuming occupancy by one and one-half persons per bedroom. The Total Housing Expense for 42 units may not exceed 30% of 1/12 of the 60% MTSP Limit, assuming occupancy by one and one-half persons per bedroom. The Total Housing Expense for 38 units may not exceed 30% of 1/12 of the 70% MTSP Limit, assuming occupancy by one and one-half persons per bedroom. The Total Housing Expense for 32 units may not exceed 30% of 1/12 of the 80% 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 Bonds (as defined below) remain outstanding, but in no event for less than the period of time required by the terms of the LIHTC Regulatory Agreement.

**3. Bonds; Closing Documents; Organizational Documents:**

Prior to Bond closing, the Borrower must submit all of the documents relating to the sale of the obligations to be issued to finance the loan (the "Bonds"). The Borrower must also submit for review and approval such information relating to the Development as may be required by the Authority's Chief Legal Affairs Officer, 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 Chief Legal Affairs Officer.

At the Bond closing, the Borrower must enter into a Trust Indenture which provides that all cash proceeds of the credit enhancement will be deposited with the trustee for the Bonds and shall be held and invested by the trustee in accordance with the Trust Indenture. The Borrower must also enter into a Loan Agreement with the Authority in which the Borrower agrees 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.

**4. Credit Enhancement:**

Prior to the authorization of a commitment for issuance of the Bonds, the Borrower must submit a definitive commitment that the credit enhancement will be provided. The proposed credit enhancement instrument and any other additional security offered to the Authority must be acceptable to the Chief Financial Officer and the Chief Legal Affairs Officer.

**DEVELOPMENT TEAM AND PROJECT INFORMATION:**

**Sponsor and Borrower:**

1. **Sponsor:** Magnus Capital Partners LLC and Vishal Arora

Contact: Vishal Arora  
Phone: (646) 790-5838

- 2. Borrower:** 28WPHASETHREE Limited Dividend Housing Association Limited Partnership

**Credit Enhancement:**

The credit enhancement shall be cash collateral from Merchants Bank of Indiana during the construction term and a Standby Credit Enhancement Agreement during the permanent loan term.

**Bond Underwriter:** Stifel, Nicolaus & Company, Inc. (Mark Risch)

**Bond Counsel:** Hawkins Delafield & Wood LLP (John Renken)

**Bond Trustee:** US Bank Global Corporate Trust (Thomas Zrust)

**Credit Enhancement Provider:** Cash collateral from Merchants Bank of Indiana during construction loan term; Standby Credit Enhancement Agreement from Freddie Mac during the permanent loan term.

**Other Members of the Development Team:**

Equity Partner:	Merchants Capital (Josh Reed)
Borrower's Counsel:	Honigman (Stephen Rypma)
Borrower's Accountant:	Blystone & Bailey CPA's, P.C. (Leah Rau)
Contractor:	Rohde Construction (Chad White)
Property Management:	Magnus Services LLC (Vishal Arora)
Architect:	Hooker DeJong, Inc. (Eric Maring)

**Sources and Uses of Funds:**

Merchants Capital 1st Mortgage	\$ 31,162,473
Magnus Workforce Housing Loan (5.50%)	6,000,000
Deferred Interest	1,411,668
Short-Term Bond Earnings	5,448,625
Magnus Workforce - MSHDA GAP	5,000,000
GP Equity	100
Income from Operations	707,091
Magnus Workforce Housing Loan (7.25%)	5,000,000
LIHTC Equity	18,292,432
Deferred Developer Fee	8,773,794

**Inducement Resolution Staff Report  
HōM Flats at 28 West Phase 3  
City of Wyoming, Kent County  
March 20, 2025**

<b>Total Sources of Funds</b>	<b>\$81,796,183</b>
Acquisition	\$ 5,500,000
Site Work	2,650,000
Construction/Rehabilitation	43,091,362
Professional Fees	1,623,000
Interim Construction Costs	13,616,153
Permanent Financing	1,118,624
Other Costs	2,050,532
Syndication Costs	181,586
Developer Fee	10,187,990
Project Reserve	1,776,936
<b>Total Uses of Funds</b>	<b>\$81,796,183</b>

Inducement Resolution Staff Report  
HōM Flats at 28 West Phase 3  
City of Wyoming, Kent County  
March 20, 2025

**APPROVALS:**

*Chad A Benson* 3/12/2025  
\_\_\_\_\_  
Chad Benson, Director of Development Date

*Jeffrey J Sykes* 3-12-25  
\_\_\_\_\_  
Jeffrey Sykes, Chief Financial Officer Date

*Clarence L. Stone, Jr.* 3/12/2025  
\_\_\_\_\_  
Clarence L. Stone, Jr., Chief Legal Affairs Officer Date

*Amy Hovey* 03/13/2025  
\_\_\_\_\_  
Amy Hovey, Chief Executive Officer and Executive Director Date



**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**

**INDUCEMENT RESOLUTION  
HŌM FLATS AT 28 WEST PHASE 3  
CITY OF WYOMING, KENT COUNTY  
MSHDA No. 44c-228**

**March 20, 2025**

WHEREAS, Magnus Capital Partners LLC and Vishal Arora (the "Applicants"), desire to acquire and construct a multifamily housing facility (the "Project") in the City of Wyoming, Kent County, Michigan; and

WHEREAS, the Applicants have applied to the Michigan State Housing Development Authority (the "Authority") for a loan in the amount of Thirty-Nine Million Dollars (\$39,000,000) (the "Loan") pursuant to Section 44c of Act No. 346 of the Public Acts of 1966, as amended (the "Act"), to be made to 28WPHASETHREE Limited Dividend Housing Association Limited Partnership or an eligible borrower entity to be formed under the Act (the "Borrower"), to finance the construction and equipping of the Project, which constitutes a housing project as defined in the Act; and

WHEREAS, the Applicants have advised that the cost of the Project will not exceed Eighty-One Million Seven Hundred Ninety-Six Thousand One Hundred Eighty-Three Dollars (\$81,796,183); and

WHEREAS, the Act authorizes the Authority to loan monies to limited dividend housing associations for the construction and long-term financing of multifamily housing projects and to obtain the monies for such loans by the issuance of bonds in compliance with and pursuant to the terms and provisions of the Act; and

WHEREAS, it is necessary to assure the Applicants that the Authority intends to issue bonds (the "Bonds") upon meeting the requirements of the Act and the terms and conditions of this Resolution, it being the intent and purpose of the Authority in adopting this Resolution to provide the necessary official action with respect to the Bonds as will meet the requirements of the Internal Revenue Code and the regulations promulgated in connection therewith.

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

1. In order to comply with Treasury Regulation Section 1.150-2, the Authority makes the following declarations:
  - (a) The Authority reasonably expects to authorize the Loan for the purpose of reimbursing the Borrower for the costs of and/or financing the construction and equipping of the Project as further described in the Borrower's application, and the terms of the Inducement Resolution Staff Report attached hereto and incorporated herein;
  - (b) The Loan shall not be used to reimburse the Borrower for expenditures earlier than

the date on which the Borrower pays such expenditures and not later than the date that is eighteen months after the later of (i) the date on which the Borrower has paid the expenditure, or (ii) the date on which the Project is placed in service, but in no event more than three (3) years after the expenditure is paid. All reimbursement of expenditures shall follow the procedures described in Treasury Regulation Section 1.150-2(d);

- (c) No Loan proceeds paid to reimburse the Borrower for expenditures incurred in the acquisition and equipping of the Project shall be used in a manner described in Treasury Regulation Section 1.150-2(h) with respect to abusive use of such proceeds;
  - (d) The costs to be reimbursed must be "capital expenditures" as defined in Treasury Regulation Section 1.150-1(b), which are costs of a type that are properly chargeable to a capital account under Federal Income Tax principles; and
  - (e) The maximum amount of the Loan to the Borrower shall not exceed Thirty-Nine Million Dollars (\$39,000,000).
2. The Authority expects to authorize the Loan to the Borrower, subject to the Borrower's meeting the requirements of the Act, including without limitation, the requirements of Section 44c of the Act, the Authority's Amended and Restated Pass-Through Bond Program and the terms and conditions hereinafter set forth.
  3. The Borrower shall submit a commitment from the proposed issuer of a credit enhancement with respect to the Bonds in a form and amount sufficient to assure the Authority that repayment of the Bonds issued will be reasonably secure.
  4. The Borrower shall be obligated to make loan repayment in an amount sufficient to pay the principal, interest and premium, if any, of the Bonds, establish appropriate reserves, and pay costs and expenses relating to the issuance of the Bonds and the making of the Loan.
  5. The Authority's obligation to make the Loan shall be conditioned upon the ability of the Authority to issue, sell and deliver the Bonds.
  6. The Loan shall be evidenced by a loan agreement and secured by such instruments as are in form and substance satisfactory to the Authority, the Department of Attorney General of the State of Michigan and bond counsel to the Authority, which shall include such additional security as may be required by the purchaser of the Bonds.
  7. Subject to compliance with the terms and conditions of this Resolution and any subsequent Resolution authorizing the Authority's loan commitment with respect to the Project, the Authority will authorize, pursuant to a Bond Resolution of the Authority, the issuance of the Bonds in a principal amount not exceeding Thirty-Nine Million Dollars (\$39,000,000) for the purposes of making the Loan and funding the reserves and costs associated with the issuance and administration of the Bonds as aforesaid, and will enter into a loan agreement and related documents with the Borrower, which proceedings shall be subject to the approval of the Department of Attorney General of the State of Michigan, bond counsel to the Authority and the Michigan Department of Treasury.

8. The Bonds shall not be general obligations of the Authority but shall be payable as to principal, premium, if any, and interest solely from the proceeds of the payments to be made by or on behalf of the Borrower to the Authority (or to a trustee appointed by the Authority pursuant to the Bond Resolution), as provided in the Bond Resolution. The agreements relating to the Loan and the issuance of the Bonds shall contain such provisions as will be necessary to make absolutely clear and certain that under no circumstances will the Bonds or this Resolution be a debt of the State of Michigan, nor will the State of Michigan be liable on the Bonds.
9. All costs and expenses involved in the authorization, issuance, sale and delivery of the Bonds and in the making of the Loan, including the fees and disbursements of bond counsel, shall be paid from Bond proceeds or by the Borrower and the proceedings and agreements relating thereto, as hereafter adopted and undertaken, shall so provide.
10. The Chief Executive Officer and Executive Director, the Chief Legal Affairs Officer, the Director of In-House Legal Services, the Director of Legal Transactions, the Chief Financial Officer, or any person duly authorized to act in such capacity (each an "Authorized Officer"), or any one of them acting alone, are hereby authorized and directed to initiate the proceedings described in this Resolution and to enter into negotiations, subject to the approval of the Authority, with a Bond purchaser for the sale of the Bonds by the Authority.
11. Bond counsel to the Authority and the Department of Attorney General of the State of Michigan are authorized and directed to prepare and submit to the appropriate parties all proceedings, agreements and other documents as shall be necessary or appropriate in connection with the issuance of the Bonds and to make applications on behalf of the Authority to the United States Internal Revenue Service and to other governmental agencies for such income tax and other rulings and approvals as may be necessary in relation to the issuance of the Bonds. Any Authorized Officer is authorized to execute such powers of attorney and other documents as may be appropriate in connection with the foregoing. All costs and expenses pertaining to the above matter shall be paid from the Bond proceeds or by the Borrower.
12. Issuance of the Bonds shall be subject to the conditions contained in the Inducement Resolution Staff Report accompanying this Resolution.
13. All resolutions and parts of resolutions that conflict with the provisions of this Resolution are hereby rescinded.
14. This Resolution does not constitute a commitment of the Authority to loan funds under Section 44c(6) of the Act and does not serve as a reservation or allocation of bonding capability.
15. The Authority hereby determines that the likely benefit of the Project to the community or the proposed residents of the Project merits the use of Authority limited obligation bonds as a financing source for the proposed acquisition and construction of the Project.
16. This Resolution shall take effect immediately.



**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:** March 20, 2025

**RE:** Resolution Authorizing Becoming a Party to the Existing State Contract with Peckham Vocational Industries, Inc.

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**RECOMMENDATION**

I recommend that the Michigan State Housing Development Authority (the “Authority”) authorize becoming a party to the existing State contract with Peckham Vocational Industries, Inc., for a five-year term to provide the Authority with janitorial service for the Authority offices located at 735 E. Michigan Avenue, Lansing, Michigan 48912 (the “Lansing Office”).

**CONTRACT SUMMARY**

Name of Contractor: Peckham Vocational Industries, Inc.  
Amount of Contract: ~~\$784,575.52980,486.32.00~~  
Length of Contract: Five Years commencing on or about May 1, 2025, and expiring on or about April 30, 2030  
Extension Options: 3 one-year options

**EXECUTIVE SUMMARY**

The current facilities janitorial contract for the Authority’s Lansing Office will expire on April 30, 2025. To exercise maximum administrative efficiencies and fiscal savings, I recommend that the Authority authorize becoming a party to the State contract currently in place with the Central Procurement Office within the Department of Technology Management and Budget (“DTMB”).

The State contract is a Community Rehabilitation Organization (“CRO”) set aside. A CRO is a Michigan non-profit charitable organization or institution operated for the purpose of carrying out a recognized program of employment and training services for people with disabilities.

A quote has been obtained and reviewed by DTMB to ensure compliance with State contract pricing. The estimates for janitorial services are as follows:

**Pricing Breakdown**

<b>Monthly Year 1:</b>	<b>\$11,216.13</b>	<b>Total Base Year :</b>	<b>\$134,593.56</b>
<b>Monthly Year 2:</b>	<b>\$11,552.61</b>	<b>Total Annual Year 2:</b>	<b>\$138,631.32</b>
<b>Monthly Year 3:</b>	<b>\$11,899.19</b>	<b>Total Annual Year 3:</b>	<b><del>\$206,173.44</del> <u>\$142,790.28</u></b>
<b>Monthly Year 4:</b>	<b>\$12,256.17</b>	<b>Total Annual Year 4:</b>	<b><del>\$212,358.60</del> <u>\$147,074.04</u></b>
<b>Monthly Year 5:</b>	<b>\$12,623.86</b>	<b>Total Annual Year 5:</b>	<b><del>\$218,729.40</del> <u>\$151,486.32</u></b>
<b>Estimated Supplies</b>	<b>5 Years</b>		<b>\$70,000.00</b>
	<b>5 Year total</b>		<b><u>\$784,575.52</u><del>980,486.32</del></b>

**ADVANCING THE AUTHORITY’S MISSION**

This contract will support health and safety at the Authority by maintaining sanitary conditions at the Lansing Office.

**ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS**

None.

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**

**RESOLUTION AUTHORIZING  
BECOMING A PARTY TO EXISTING STATE CONTRACT WITH PECKHAM VOCATIONAL  
INDUSTRIES, INC.**

**March 20, 2025**

WHEREAS, the Michigan State Housing Development Authority (the "Authority") has received the Chief Executive Officer and Executive Director's memorandum regarding the need to select a contractor to provide the Authority with janitorial services at the 735 E. Michigan office building in Lansing; and

WHEREAS, the Chief Executive Officer and Executive Director has recommended that the Authority approve becoming a party to the existing State contract with Peckham Vocational Industries, Inc., administered by the Department of Technology, Management and Budget; and

WHEREAS, the Authority concurs in the recommendation of the Chief Executive Officer and Executive Director and hereby determines that the selection of Peckham Vocational Industries, Inc., as contractor should fulfill the Authority's janitorial needs.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority that Chief Executive Officer and Executive Director, the Chief Financial Officer, the Chief Legal Affairs Officer, the Chief Operating Officer, the Director of In-House Legal Services, the Director of Finance, or any person duly acting in such capacity, each is hereby authorized to enter into a contract with Peckham Vocational Industries, Inc., for a total amount not to exceed Seven Hundred Eighty-Four Thousand Five Hundred Seventy-Five Dollars and Fifty-Two Cents (\$784,575.52) ~~Nine Hundred Eighty Thousand Four Hundred Eighty-Six Dollars and Thirty-Two Cents (980,486.32)~~ for a 5-year contract, beginning on or about May 1, 2025 ~~April 1, 2025~~, terminating on or about April 30, 2030 ~~March 31, 2030~~, with three one-year options to extend the contract under the terms set forth in the accompanying 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:** March 20, 2025

**RE:** Plymouth Square, Development No. 44c-217 (the "Development")

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### RECOMMENDATION

I recommend that the Michigan State Housing Development Authority (the "Authority") 1) adopt a resolution authorizing the issuance of a tax-exempt loan (the "Loan") with respect to the project described in the attached report; 2) adopt a resolution authorizing the issuance of bonds, the proceeds of which will finance the Loan; 3) waive the 1.9% bond fee for eligible distressed areas under the 2024 Amended and Restated Pass-Through Bond Program; and 4) assess a .9% bond fee for the project, which was the fee for eligible distressed areas under the 2023 Amended and Restated Pass-Through Program.

### PROJECT SUMMARY

MSHDA No.:	44c-217
Development Name:	Plymouth Square
Development Location:	City of Detroit, Wayne County
Sponsor:	Plymouth Square GP, LLC
Borrower:	Plymouth Square Preservation Limited Dividend Housing Association, LLC
Number of Units:	278 elderly units (and 2 manager's units)
No. of Accessible Units:	14 accessible units
Construction Method:	Acquisition and Rehabilitation
Financing Program:	Limited Obligation Multifamily Housing Revenue Bonds issued under Section 44c
Total Development Cost:	\$40,769,536
Aggregate Basis:	\$37,342,286
Total Loan Amount:	Not to exceed \$20,000,000 (53.56% of aggregate basis)
Credit Enhancement:	Cash collateral will be provided by the proceeds of the FHA-insured 223(f) permanent mortgage loan from Capital One, National Association

## **EXECUTIVE SUMMARY**

- Plymouth Square is a 280-unit project consisting of a 202-unit senior high-rise building, and 78 senior detached townhome-style buildings. 278 units are affordable under a project-based Section 8 HAP contract. Two units are set aside as manager's units.
- Jonathan Rose Companies is a national developer of affordable housing and will serve as General Partner and Developer of Plymouth Square.
- The renovation will focus on replacement of building systems nearing the end of their useful lives, energy conservation measures, and resident-facing improvements to the community spaces and unit interiors.
- This pass-through project is low risk for the Authority.

Plymouth Square GP, LLC (the "Sponsor") proposes to acquire and rehabilitate the Development, which consists of 278 affordable housing units located in the City of Detroit, Wayne County, Michigan. The Development will be acquired and rehabilitated using a construction loan financed with the proceeds of a single issue of bonds issued pursuant to Section 44c of the Authority's enabling act. The Development, as proposed, meets the requirements of Section 44c, and repayment of the bonds will be reasonably secure based on cash collateral intended to secure such repayment and held by the trustee for the bonds. The cash collateral will be sourced through an FHA-insured 223(f) permanent mortgage loan from Capital One, National Association.

I am recommending Board approval for the following reasons:

- The Developer'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 Bond Program statement.
- 278 units of elderly housing will be rehabilitated in the City of Detroit.
- The repayment of the limited obligation bonds will be reasonably secure based on the proposed collateral.

## **ADVANCING THE AUTHORITY'S MISSION**

Plymouth Square Apartments is located in Region O of the Statewide Housing Plan Regional Housing Partnerships, and this development supports the following goals of the Region O Action Plan:

- Goal 4.1: increase the supply of the full spectrum of housing that is affordable and attainable to Michigan residents.
- Goal 4.4: increase the rehabilitation and/or preservation of housing stock.
- Goal 5.1: equitably expand the supply of affordable and accessible rental units statewide for older adults.
- Goal 6.3: increase the quality of rental housing.

The Development is comprised of 280 units, of which 278 units are affordable senior units, and two units are reserved for employees.

The income restrictions on the units will be as follows:

- 236 units will be reserved for households with incomes at or below 60% of area median income ("AMI").



- 28 units will be reserved for households with incomes at or below 40% of AMI.
- 14 units will be reserved for households with incomes at or below 80% of AMI.
- 2 employee units will be available without income restrictions.

## **MUNICIPAL SUPPORT**

- The Development is expected to receive a tax exemption and payment in lieu of taxes from the City of Detroit.

## **COMMUNITY ENGAGEMENT/IMPACT**

- It is anticipated that the rehabilitation of the Development will create 2 permanent jobs and 28 temporary jobs.
- The community was invited to engage in a public hearing (TEFRA hearing) regarding the proposed bond issuance.
- The Sponsor held an in-person resident information session to describe the scope of the renovation, the relocation arrangements, and relocation schedule.
- A relocation consultant will staff a full-time position – this employee will work directly with the residents leading up to and during the renovation, to personally coordinate with residents, provide notices and answer questions.

## **RESIDENT IMPACT**

- The residents will benefit from a comprehensive rehabilitation of the Development.
- Immediate and long-term capital needs of the Development will be addressed.
- The renovation will focus on replacement of building systems nearing the end of their useful lives, energy conservation measures, and resident-facing improvements to the community spaces and unit interiors. Anticipated greening improvements include the replacement of all appliances, lighting fixtures, plumbing fixtures, and boilers. Some of the anticipated in-unit upgrades include new cabinets, hard-surface countertops, and LVT flooring. The property will also receive a new roof, rooftop air unit, security cameras, fire panel, and façade restoration.
- Renovations will allow the Development to meet UFAS/ADA/FHA accessibility requirements.

## **ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS**

This Development is one of three Section 8 projects acquired by the Jonathan Rose Companies that are proposed to be rehabilitated under the Authority's Pass-Through Program. 100% of the non-manager units in all three projects receive Section 8 project-based rental assistance under long-term contracts.

The application for this project was submitted and under review prior to the June amendment of the Authority's Act under 2024 Senate Bill 417 ("SB 417"), which permits the Authority to establish a fee of not more than 1.9% of the principal amount of the bonds for eligible distressed areas. It was also received and reviewed prior to the approval of the 2024 Amended and Restated Pass-Through Bond Program, which established a fee of 1.9% for all developments, including developments in eligible distressed areas. Given that the application was submitted and reviewed before approval of SB 417 and the 2024 Amended and Restated Pass-Through Bond Program, Authority staff recommend applying the bond fee of .9% for the Development, which is located in

an eligible distressed area, which was the fee under the 2023 Amended and Restated Pass-Through Bond Program.

# MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

## AMENDED AND RESTATED PASS-THROUGH BOND PROGRAM

### TAX EXEMPT LOAN COMMITMENT STAFF REPORT

March 20, 2025

#### RECOMMENDATION:

Adopt a resolution authorizing the issuance of a tax-exempt loan commitment with respect to the project described in this report and authorizing the issuance of bonds, the proceeds of which will finance the loan.

#### ISSUES, POLICY CONSIDERATIONS AND RELATED ACTIONS:

This Development is one of three Section 8 projects acquired by the Jonathan Rose Companies that are proposed to be rehabilitated under the Authority's Pass-Through Program. 100% of the non-manager units in all three projects receive Section 8 project-based rental assistance under long-term contracts.

The application for this project was submitted and under review prior to the June amendment of the Authority's Act under 2024 Senate Bill 417 ("SB 417"), which permits the Authority to establish a fee of not more than 1.9% of the principal amount of the bonds for developments located in eligible distressed areas. It was also received and reviewed prior to the approval of the 2024 Amended and Restated Pass-Through Bond Program Statement, which approved a fee of 1.9% for all developments. Given that the application was submitted before approval of SB 417 and the 2024 Amended and Restated Pass-Through Bond Program Statement, Authority staff recommend applying the bond fee of .9% for the Development, which is located in an eligible distressed area, and the fee used under the 2023 Amended and Restated Pass-Through Bond Program.

#### PROJECT SUMMARY:

MSHDA No.:	44c-217
Development Name:	Plymouth Square
Development Location:	City of Detroit, Wayne County
Sponsor:	Plymouth Square GP, LLC
Borrower:	Plymouth Square Preservation Limited Dividend Housing Association, LLC
Number of Units:	278 elderly units (does not include 2 employee/manager units)
No. of Accessible Units:	14 accessible units
Construction Method:	Acquisition and Rehabilitation
Financing Program:	Limited Obligation Multifamily Housing Revenue Bonds issued under Section 44c
Total Development Cost:	\$40,769,536
Aggregate Basis:	\$37,342,286
Total Loan Amount:	Not to exceed \$20,000,000 (53.56% of aggregate basis)
Credit Enhancement:	Cash collateral through an FHA-insured 223(f) permanent mortgage loan from Capital One, National Association
Commitment Fee:	1% of the Loan Amount

The material contained in this staff report is submitted to the Authority for information 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 bonds 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 or bonds that are not general obligations of the Authority and are not backed by the moral obligation of the State. The bonds are "limited obligations" of the Authority with the security limited to the assets of the borrower, the project itself, and the credit enhancement arranged by the borrower. These are generally referred to as "Pass Through" bonds.

On July 18, 2024 the Authority re-authorized the Amended and Restated Pass-Through Bond Program, increasing the maximum allocation to \$350 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 bond allocation available per project and per sponsor. At least ten percent (10%) of the Development'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 a 280-unit elderly apartment project on a site in Detroit. Two Hundred Thirty-Six (236) of the units in the development will be targeted to households with incomes at or below 60% of area median income, utilizing the new limits 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"). Twenty-Eight (28) units must be more restricted to households with incomes at or below 40% of area median income, using the MTSP Limits. Fourteen (14) units will be targeted to households with incomes at or below 80% of area medium income, using MTSP Limits. Two (2) units are employee units and are available without income restrictions.

Authority staff has received and reviewed a commitment for the proposed credit enhancement and has determined that, if the proposed credit enhancement is delivered as set forth in the commitment, repayment of the Authority's notes or bonds will be reasonably secure.

**CONDITIONS:**

**1. Income Limits:**

The Borrower must enter into a Regulatory Agreement with the Authority requiring that 236 of the units in the Development (158 one-bedroom, 73 two-bedroom, and 5 three-bedroom apartments/townhomes) must be rented or available for rental by tenants whose income does not exceed the 60% MTSP Limits, adjusted for family size. 28 units in the Development (18 one-bedroom units, 9 two-bedroom units and 1 three-bedroom unit) must be rented or available for rental by tenants whose income does not exceed the 40% MTSP Limits, adjusted for family size. 14 of the units in the Development (9 one-bedroom units, 4 two-bedroom units and 1 three-bedroom unit) must be rented or available for rental

by tenants who income does not exceed 80% MTSP Limits, adjusted for family size. 2 of the units in the Development (1 two-bedroom unit and 1 three-bedroom unit) are manager's units that may be made available without income restrictions. These occupancy restrictions shall be contained in a covenant running with the land and shall remain in effect for the period that the Authority obligations to be issued to finance the acquisition and construction or rehabilitation of the Development (the "Bonds") 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, known as the Extended Use Period (the "EUP"), or the period required by Section 142(d) of the Code. Two units have been set aside as employee units.

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.

The Borrower has elected to use the "Average Income Test" for Low-Income Housing Tax Credits. This election allows developments to target units to households with incomes up to 80% of AMI, as long as the average area median income ("AMI") level for the LIHTC units in the Project is 60% of AMI or less.

Two Hundred Seventy-Eight (278) units are subject to a Section 8 Housing Assistance Payment ("HAP") Contract and must be occupied or available for occupancy by households whose incomes do not exceed the income limits in the HAP Contract for so long as the HAP Contract between the Mortgagor and the Authority or HUD is in effect (including extensions and renewals), or for such longer period as determined by HUD.

**2. Limitations on Rental Rates:**

The Regulatory Agreement must also require that the monthly Total Housing Expense (contract rent plus tenant-paid utilities) on 236 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. The Total Housing Expense for the more deeply targeted units in the Development (28 units) may not exceed 30% of 1/12 of the 40% MTSP Limit, assuming occupancy by one and one-half persons per bedroom. The Total Housing Expense for fourteen (14) of the units will be targeted to households with incomes at or below 80% of area median income may not exceed 30% of 1/12 of the 80% MTSP Limit, assuming occupancy by one and one-half persons per bedroom. The Total Housing Expense on the two (2) manager's units shall not be regulated. 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 Bonds (as defined above) remain outstanding, but in no event for less than the EUP or the period of time required by Section 142(d) of the Code.

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.

The rents to be paid for the 278 HAP-assisted units may not exceed the rent limits established and published annually by HUD for the Section 8 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.

**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 Bonds. 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 percent of the residential units in the project 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 "Qualified Project Period"). Additionally, during the Qualified Project Period, the minimum set-aside requirements of the Code must be maintained, namely, at least forty percent (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 percent for the first 12-month period following substantial completion of the Development, with annual one percent 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. Bond and Tax Credit Requirements:**

At the Bond closing, the Borrower must enter into a Trust Indenture which provides that all cash proceeds of the credit enhancement will be deposited with the trustee for the Bonds and shall be held and invested by the trustee in accordance with the Trust Indenture. 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 Chief Legal Affairs Officer, that respectively confirm that the structure of the transaction will permit the Borrower to claim the LIHTC 4% credit.

**6. Loan Agreement; Indemnification; Compliance Monitoring and Reporting Requirements:**

At the Bond closing, the Borrower must enter into a Loan Agreement with the Authority. In the Loan Agreement, 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 Bonds 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 Bonds. The form and substance of the Loan Agreement must be acceptable to the Authority's Chief Legal Affairs Officer.

**7. Closing and Organizational Documents:**

Prior to Bond closing, the Borrower must submit all of the documents relating to the sale of the limited obligation bonds 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 Chief Legal Affairs Officer.

**8. Equal Employment Opportunity:**

At Bond closing, the Borrower and the general contractor must include the Authority's form Appendix to Construction Contract with a Construction Contract that is acceptable to the Authority's Chief Legal Affairs Officer.

**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:** Plymouth Square GP, LLC  
551 Fifth Avenue 23rd Floor  
New York, NY 10176  
Contact: Scott Frye  
Phone: 216-393-8062
  
- 2. Borrower:** Plymouth Square Preservation Limited Dividend Housing Association, LLC

**Credit Enhancement:**

The sponsor proposes cash collateral through an FHA-insured Section 223(f) permanent mortgage loan from Capital One, National Association.

**Bond Underwriter:** The Sturges Company (Michael Sturges)  
**Bond Counsel:** Dickinson Wright, PLLC (Craig Hammond)  
**Bond Trustee:** The Huntington National Bank (John Alexander)

**Other Members of the Development Team:**

Equity Partner: The Huntington Community Development Corporation  
(Andrew Hugger)  
Borrower's Counsel: Honigman Miller Schwarz & Cohn (Steven Rypma)  
Borrower's Accountant: Novogradac & Company, LLP (Dirk Wallace)  
Contractor: Rose Community Builders, LLC (Christopher Edwards)  
Property Management: Rose Community Management (Lori Ricci)  
Architect: Fusco, Shaffer, & Pappas (James Pappas)  
Rating Agency: Moody's Investor Service

**Sources and Uses of Funds:**

FHA 223f Permanent Loan	\$23,500,000
Income from Reinvested Bond Proceeds	400,000
GP Equity	100
Income from Operations	216,336
GRRP Loan	750,000
LIHTC Equity	14,068,277
Deferred Developer Fee	1,834,823
<b>Total Sources of Funds</b>	<b>\$ 40,769,536</b>
Land	\$1,467,200
Acquisition	15,400,000
Construction/Rehabilitation	13,962,539
Professional Fees	653,550
Interim Construction Costs	1,401,600
Permanent Financing Costs	516,450
Other Costs	1,320,098
Reserves and Escrows	1,942,682
Syndication Costs	10,000
Developer Fee	4,095,417
Site Work	0
<b>Total Uses of Funds</b>	<b>\$ 40,769,536</b>



**APPROVALS:**

*Chad A Benson* 3/12/2025  
\_\_\_\_\_  
Chad Benson, Director of Development Date

*Jeffrey J Sykes* 3-12-25  
\_\_\_\_\_  
Jeffrey Sykes, Chief Financial Officer Date

*Clarence L. Stone, Jr.* 3/12/2025  
\_\_\_\_\_  
Clarence L. Stone, Jr., Chief Legal Affairs Officer Date

*Amy Hovey* 03/13/2025  
\_\_\_\_\_  
Amy Hovey, Chief Executive Officer and Executive Director Date

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**

**RESOLUTION AUTHORIZING LOAN  
PLYMOUTH SQUARE, MSHDA No. 44c-217  
CITY OF DETROIT, WAYNE COUNTY**

**March 20, 2025**

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 Plymouth Square GP, LLC (the "Applicant") for a loan in an amount not to exceed Twenty Million Dollars (\$20,000,000) (the "Loan") for the acquisition, rehabilitation and equipping of a housing project having an estimated Total Development Cost of Forty Million Seven Hundred Sixty-Nine Thousand Five Hundred Thirty-Six Dollars (\$40,769,536), known as Plymouth Square (the "Development"), located in the City of Detroit, Wayne County, Michigan and to be owned by Plymouth Square Preservation Limited Dividend Housing Association, LLC (the "Borrower"); and

WHEREAS the Application for the Development was submitted prior to the passing of 2024 Senate Bill 417 and the Amended and Restated Pass-Through Bond Program dated July 18, 2024, both of which allow the Authority to establish a fee of not more than 1.9% of the principal amount of the bonds for developments in eligible distressed areas; and

WHEREAS, the Chief Executive Officer and Executive Director has forwarded to the Authority her analysis of the Application and his 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 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 dated March 20, 2025, and attached hereto (the "Commitment Report").

2. A loan (the "Loan") be and it hereby is authorized and the Chief Executive Officer and Executive Director, the Chief Financial Officer, the Director of Finance, the Chief Legal Affairs Officer, the Director of Legal Transactions, and the Director of In-House Legal Services, 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 financing of the proposed housing project, with the Loan to have an initial principal amount not to exceed Twenty Million Dollars (\$20,000,000), to have a term not longer than June 1, 2028, and to bear interest at a rate not to exceed seven percent (7%) 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 of the proposed housing project 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 12 percent for the first 12 months of operation of the Development following substantial completion. The allowable rate of return shall be increased by 1 percent for each

12-month period after the first 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 Authority hereby grants a waiver of the 1.9% bond fee and approves the 0.9% bond fee for eligible distressed areas, established under the Amended and Restated Pass-Through Program dated July 20, 2023, for the Development and bond issue therefor.

8. 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.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY  
RESOLUTION AUTHORIZING ISSUANCE AND SALE OF MICHIGAN STATE HOUSING  
DEVELOPMENT AUTHORITY MULTIFAMILY HOUSING REVENUE BONDS,  
SERIES 2025 (PLYMOUTH SQUARE APARTMENTS PROJECT)

TO FINANCE A LOAN TO PLYMOUTH SQUARE PRESERVATION LIMITED DIVIDEND  
HOUSING ASSOCIATION, LLC SO AS TO ENABLE THE BORROWER TO ACQUIRE,  
CONSTRUCT, REHABILITATE AND EQUIP A CERTAIN MULTI-FAMILY RENTAL  
HOUSING FACILITY, AUTHORIZING THE EXECUTION OF THE BOND PURCHASE  
AGREEMENT, THE LOAN AGREEMENT AND THE TRUST INDENTURE SECURING  
THE BONDS, AND DETERMINING AND AUTHORIZING OTHER MATTERS RELATIVE  
THERE TO

March 20, 2025

WHEREAS, the Michigan State Housing Development Authority (the “Authority”) is authorized by Act 346, Michigan Public Acts, 1966, as amended (the “Act”), to issue bonds for the purpose of making loans to limited dividend housing associations (as defined in the Act) to provide financing for multi-family housing projects (as defined in the Act); and

WHEREAS, Plymouth Square Preservation Limited Dividend Housing Association, LLC, a Michigan limited liability company (the “Borrower”), is a limited dividend housing association (as defined in the Act); and

WHEREAS, the Borrower has applied to the Authority for a loan in a maximum amount of Twenty Million Dollars (\$20,000,000) to finance the costs of acquiring, constructing, rehabilitating, equipping and improving a multi-family rental housing facility containing 280 units, 278 of which will be affordable housing units for seniors, located in the City of Detroit, Wayne County, Michigan (the “Project”); and

WHEREAS, the Authority proposes to issue its Multifamily Housing Revenue Bonds, Series 2025 (Plymouth Square Apartments Project) in an aggregate principal amount not to exceed \$20,000,000 (the “Bonds”) pursuant to this Resolution and the Trust Indenture, dated as of April 1, 2025 (the “Indenture”), between the Authority and The Huntington National Bank, as Trustee (the “Trustee”), to obtain funds to lend to the Borrower, pursuant to a Loan Agreement, dated as of April 1, 2025 (the “Loan Agreement”), between the Authority and the Borrower to finance the costs of acquiring, constructing, rehabilitating, equipping and improving the Project (the “Loan”); and

WHEREAS, the Authority has determined that making the Loan requested by the Borrower and issuing and selling the Bonds, 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 Chairperson, Vice Chairperson, Chief Executive Officer and Executive Director, Chief Financial Officer, Director of Finance, Chief Legal Affairs Officer, Director of Legal Transactions and

Director of In-House Legal Services 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 Bonds, subject to the limitations established herein.

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

SECTION 1. Issuance of Bonds; Limited Obligation. For the purpose of making the Loan requested by the Borrower and thereby assisting in the financing of the acquisition, rehabilitation and equipping of the Project, the issuance of the Bonds in an aggregate principal amount not to exceed \$20,000,000 is authorized. The Bonds shall be designated “*Michigan State Housing Development Authority Multifamily Housing Revenue Bonds, Series 2025 (Plymouth Square Apartments Project)*,” shall be issuable only in fully registered form, substantially as set forth in the Indenture; shall be numbered in such manner as determined by the Trustee in order to distinguish each Bond from any other Bond; shall be in Authorized Denominations; shall be dated as of the first day of the month in which the Bonds are issued 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 date.

The Bonds shall be subject to mandatory tender and redemption, and may be transferred and registered, all as provided in the Indenture and the form of the Bonds attached to the Indenture, with such modifications as may be approved by an Authorized Officer.

The Bonds shall be issued pursuant to this Resolution and the Indenture in substantially the form on file with the Chief Executive Officer and Executive Director, with such changes as may be acceptable to an Authorized Officer of the Authority.

The Bonds 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 a limited obligation, and not a general obligation, of the Authority payable solely from those certain revenues derived from the Loan Agreement, the Note (as hereinafter defined) and otherwise as provided in the Indenture including moneys and investments on deposit in the Special Funds created under the Indenture (collectively, the “Credit Enhancement”). The Authority hereby approves the Credit Enhancement and determines that repayment of the Bonds thereby will be reasonably secure.

SECTION 2. Application of Proceeds of Bonds. Immediately upon the receipt thereof, the proceeds of the sale of the Bonds shall be deposited in the applicable funds and accounts created pursuant to the Indenture as provided in the Indenture.

SECTION 3. No Capital Reserve Requirement. The Bonds shall not be secured by the capital reserve capital account of the Authority.

SECTION 4. Form of the Bonds. The form of the Bonds shall be substantially in the form attached to the Indenture, with such appropriate changes, omissions and insertions as are permitted or required by the Indenture or by subsequent action of an Authorized Officer.

SECTION 5. Execution of the Bonds. The Bonds shall bear the 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 Trustee.

SECTION 6. Approval of Loan Agreement and Indenture. The form of the Loan Agreement and the form of the Indenture on file with the Chief Executive Officer and Executive Director and on which an Authorized Officer has endorsed the date of adoption of this Resolution, 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 7. Approval of the Note and Regulatory Agreement. The form of the promissory note, dated the date thereof (the “Note”), from the Borrower to the Authority, and the Regulatory Agreement, dated as of April 1, 2025 (the “Regulatory Agreement”), between the Authority and the Borrower, each 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, are hereby approved.

SECTION 8. Bond Purchase Agreement. Each Authorized Officer is severally authorized to negotiate, execute and deliver, on behalf of the Authority, a Bond Purchase Agreement with The Sturges Company (the “Underwriter”) in substantially the form 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, together with such exhibits or appendices therein as are deemed necessary or desirable by such Authorized Officer and are permitted or required by the Act and otherwise by law.

SECTION 9. Preliminary Official Statement. The Preliminary Official Statement of the Authority with respect to the offering of the Bonds, substantially in the form presented to this meeting, is hereby approved and the distribution thereof by the Underwriter is hereby authorized, with such changes, omissions, insertions and revisions as an Authorized Officer shall deem advisable or appropriate.

SECTION 10. Final Official Statement. The form of Preliminary Official Statement of the Authority, substantially in the form presented to this meeting, is hereby authorized and approved as the final Official Statement of the Authority, with such changes, omissions, insertions and revisions as an Authorized Officer shall deem advisable or appropriate, and such final Official Statement is approved for distribution to the Underwriter.

SECTION 11. Execution and/or Delivery of Loan Agreement, the Note, the Indenture, the Bond Purchase Agreement 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 Loan Agreement, the Note (and the endorsement thereof), the Indenture, the Bond Purchase Agreement 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 12. Sale and Delivery of the Bonds. The Bonds shall be sold by the Authority to the Underwriter pursuant to the Bond Purchase Agreement subject to the following conditions:

- a) The maximum principal amount of the Bonds shall not exceed \$20,000,000.
- b) The initial interest rate on the Bonds shall not exceed 7.00% per annum.
- c) The maximum interest rate shall not exceed 7.00% per annum.
- d) The maximum principal amount coming due on the Bonds in any calendar year shall not exceed \$20,000,000.
- e) The Bonds shall have stated maturities that are not later than June 1, 2028.
- f) The Bonds shall be subject to mandatory and optional redemption as set forth in the related form of Indenture on file with the Chief Executive Officer and Executive Director.
- g) Prior to the delivery of the Bonds, the Authority shall have received all fees provided in Section 44c of the Act.

The Bonds shall be delivered to the Underwriter as provided in the Indenture upon receipt of payment therefor and upon delivery to the Trustee of each of the following:

- A. A certified copy of this Resolution.
- B. An executed counterpart of the Loan Agreement.
- C. An executed counterpart of the Indenture.
- D. An executed counterpart of the Bond Purchase Agreement.
- E. An executed counterpart of the Note.
- F. An executed counterpart of the Regulatory Agreement.
- G. An opinion or opinions of Dickinson Wright PLLC, as bond counsel to the Authority (“Bond Counsel”), dated as of the date of issuance of the Bonds, in form acceptable to the Chief Legal Affairs Officer and the Attorney General of the State of Michigan (the “Attorney General”).
- H. An opinion or opinions of the Attorney General dated as of the date of issuance of the Bonds, in form acceptable to the Chief Legal Affairs Officer.



I. An opinion or opinions of legal counsel for the Borrower, dated as of the date of issuance of the Bonds, in form acceptable to the Chief Legal Affairs Officer, Bond Counsel and the Attorney General.

J. A certificate dated the date of the issuance of the Bonds made by the Authority, based upon a certificate 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 Bond proceeds 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.

K. Such additional certificates, instruments, opinions of counsel and other documents as the Underwriter, the Trustee, Bond Counsel or the Attorney General may reasonably deem necessary or desirable to evidence the truth and accuracy on the date of issuance of the Bonds, of the representations and warranties set forth in the Loan Agreement, the Indenture or the Bond Purchase Agreement, and such other matters as the Underwriter, Bond Counsel, the Borrower or the Attorney General may reasonably request.

SECTION 13. 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 Bonds may be validly issued and the interest on the Bonds 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 14. 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 Loan Agreement, the Indenture or the Bond Purchase Agreement, or as may be necessary or convenient to effectuate the sale and delivery of the Bonds and the closing of the Loan.

SECTION 15. Appointment of Trustee. The Huntington National Bank is hereby appointed Trustee under the Indenture.

SECTION 16. 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 17. Effectiveness. This Resolution shall become effective upon adoption. If the Bonds are not sold and delivered on or before June 30, 2025, the authority granted by this Resolution shall lapse. In the event such sale and delivery occurs later than April 30, 2025, all references to April 1, 2025 herein may be permissibly changed to the month and year reflecting the actual date of delivery of the Bonds.




# 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 20, 2025

**RE:** Issuance of the Single-Family Mortgage Revenue Bonds, 2025 Series A and B, and General Obligation Bonds, 2025 Series 1

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### RECOMMENDATION

I am recommending that the Michigan State Housing Development Authority (the "Authority") approve the attached resolutions giving Authority staff the authorization to carry out the steps necessary to issue the Single-Family Mortgage Revenue Bonds, 2025 Series A and B, and the General Obligation Bonds, 2025 Series 1 (together, the "2025 Bonds").

Proceeds from the 2025 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 \$475,500,000 of Single-Family Mortgage Revenue Bonds and General Obligation Bonds. The Royal Bank of Canada ("RBC") is the book-running senior underwriter. The Authority will include other banks as co-managers and a selling group to improve the pricing. The 2025 Bonds are anticipated to be priced on April 1<sup>st</sup> and 2<sup>nd</sup>, 2025. 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 RBC developed the 2025 Bond cash flows.

**The 2025 Series A Bonds** ("2025 A"), in the expected par amount of \$319,655,000, are being issued as tax-exempt, fixed rate, non-AMT uninsured debt. The 2025 A bond proceeds will be used to fund the purchase of single-family mortgages (approximately \$283.8 million), the DPA loans (approximately \$25.8 million), and the payment of the Service Release Fee (\$5.3 million). The remaining bond proceeds will be used to pay the cost of issuance (approx. \$3.0 million).

The Authority anticipates issuing one or more of the 2025 A term bonds at a premium, raising about \$10.5 million.

The capital reserve requirement will be met by a \$12.4 million deposit to the Capital Reserve Fund.

**The 2025 Series B Bonds** (“2025 B”), in the expected par amount of \$75,845,000, are being issued as taxable fixed rate uninsured debt. The 2025 B bond proceeds will be used to fund the purchase of single-family mortgages (approx. \$66.8 million) and the payment of the Service Release Fee (\$2.5 million). The remaining bond proceeds will be used to pay the cost of issuance (approx. \$683,000).

The capital reserve requirement will be met by a \$5.8 million deposit to the Capital Reserve Fund.

**The General Obligation Bonds, 2025 Series 1 Bonds** (“GO 2025 1”), in the expected par amount of \$80,000,000, are being issued as taxable, Letter-of-Credit insured, variable-rate debt obligations (“VRDOs”). The GO 2025 1 bond proceeds will be used to fund the purchase of single-family mortgages (approx. \$79.2 million) and the cost of issuance (approximately \$720,000).

The capital reserve requirement will be met by proceeds from the 2025 B bonds to the Capital Reserve Fund. In order for the GO 2025 1 bonds to meet the requirements of the Capital Reserve Capital Account, a GO 2025 1 capital reserve must be established. Rather than fund with bond proceeds twice, the Authority has elected to enter into a Security Arrangement whereby the Authority would make debt service payments up to the Capital Reserve Requirement. (The Authority has utilized Security Arrangements in the Rental Housing Bond Resolution previously.) The requirement amounts to the highest one year’s debt service (approx. \$9 million).

The GO 2025 1 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 Direct Pay Letter-of-Credit (“LOC Facility”) with RBC. By utilizing a LOC Facility, investors will look to RBC for payment of principal and interest with the Authority reimbursing RBC for their payments. A LOC Facility is preferred over a Standby Bond Purchase Agreement as it will result in a lower interest cost on the Bonds. If there is a failed remarketing, RBC will step in and become the bond holder/investor. The Authority has negotiated a LOC Facility with an annual fee of 33 basis points (“bps”) for five years.

The Single-Family Mortgage Revenue Bond (“SFMRB”) indenture is currently rated by Standard & Poor’s (“S&P”) at AA+ with a stable outlook. A very important ratio that S&P takes into consideration is the asset-to-liability ratio. Currently, this ratio is slightly over 1.08, meaning that there is \$1.08 of assets for every \$1.00 of liabilities. Each time the Authority issues a new bond issue, it adds an approximately \$1 to \$1, bringing the \$1.08 ratio lower. This is happening as the SFMRB’s fund balance (equity) grows slower than loan production. By issuing the GO 2025 1 bonds outside of the SFMRB indenture, the assets (loans) will be in the SFMRB indenture, and the liabilities (bonds) will be outside the indenture. This strategy will keep the asset-to-liability ratio above 1.08 (a S&P threshold) and help to maintain the S&P rating of AA+, which ensures a low cost of borrowing.

## **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.

## **Michigan State Housing Development Authority Variable Rate Debt and Swap Management Plan**

The following serves as the Michigan State Housing Development Authority's policy on variable rate debt and interest rate swap agreements. This policy supersedes the June 30, 2006 policy.

Variable rate debt and interest rate swap agreements are important tools that the Michigan State Housing Development Authority (the Authority) utilizes to accomplish its goals. Most importantly, these tools reduce the Authority's cost of borrowing. Swap Agreements and Variable Rate Debt have allowed the Authority to finance developments, reduce single-family mortgage rates and fund programs that otherwise would not have been feasible.

With the inclusion of swaps and variable rate debt come additional risks. The following information is to serve as a summary of the Authority's recognition of the additional risk and how these risks are being managed.

### **Variable Rate Debt**

Variable rate debt exposes the Authority to the risk that interest rates will increase, that an adverse change in marginal income tax rates occurs, and in the case of variable rate demand obligations (VRDOs), liquidity risk.

At any given time, the Authority may have a substantial amount of variable rate debt outstanding. The Authority will continuously monitor the percent of variable rate debt against fixed rate as well as hedged variable rate debt, to produce the best cost of borrowing possible. This debt mix will always consider the different levels of risk associated with debt type. The Authority utilizes the financial strength of its balance sheet as well as staff expertise to mitigate variable rate debt risk.

Within the various bond indentures, there are mortgages where the bonds have been entirely paid off. These mortgages generate millions in principal and interest payments that are utilized to call outstanding debt. This excess cash flow can be directed toward high coupon fixed rate debt or to reduce the Authority's exposure to variable rate debt. These reductions over and above normal debt service of outstanding debt continue to improve the Authority's parity ratio (Loans Receivable plus Investments divided by Bonds Outstanding).

Not only has variable rate debt been invaluable in reducing the Authority's cost of borrowing, but has provided a natural hedge against low investment returns. At any given time the Authority may have \$100 million in short term investments. As interest rates fall, the lower borrowing rates help to offset lower returns on short term investments.

The Authority has issued variable rate debt in the form of VRDOs that has an optional tender feature that creates liquidity risk. Liquidity becomes an issue if the bonds have a failed remarketing and the Authority does not have the funds available to cover the debt. In order to

reduce liquidity risk, the Authority has entered into standby bond purchase agreements with numerous banks. If the Authority experiences a failed remarketing, the corresponding bank will step in and become the bondholder for a period of time. In an effort to reduce liquidity risk, the Authority has issued other types of variable rate debt that does not have the optional tender feature, as well as diversified the liquidity providers.

### **Swap Management Plan**

Interest rate swap agreements are a cost effective way to hedge portions of the Authority's debt portfolio against interest rate volatility. The interest rate swap agreement itself is a trade that's value is determined by market conditions. The way the swap works is as follows:

1. The Authority issues variable rate debt. The Authority will pay the bondholder an interest rate based on current market conditions that are reset periodically (e.g. daily, weekly, monthly or quarterly).
2. The Authority enters into an interest rate swap agreement, where the counterparty agrees to pay the Authority a variable rate that closely matches the rate established in step 1, above. In return for receiving the variable rate payment, the Authority will pay the counterparty a fixed rate (e.g. 5.0% multiplied by bonds outstanding).
3. On the debt service date, the Authority will pay the bondholders their variable rate. The Authority will receive a variable rate payment from the counterparty, as agreed upon, which should be very close to the payment that was made to the bondholders. At the same time, the Authority pays to the counterparty the fixed rate (e.g. 5.0% multiplied by bonds outstanding).

Over time, as interest rates increase or decrease, it will have little to no impact on the debt service cost to the Authority, as the amount that is paid to the counterparty is fixed at 5.0% in our example. The value of the swap agreement fluctuates as interest rates change.

The benefit to issuing variable rate debt and synthetically fixing it, rather than issuing fixed rate debt, comes from the ability to eliminate the penalty associated with fixed rate housing debt, and the capability to assume different types of risk. The housing penalty is created by the uncertainty as to when the bondholders' principal will be repaid. The varying stream of mortgage prepayments creates this uncertainty. When variable rate debt is issued, the bondholder is no longer concerned with early prepayment, as it is easy to replace that investment at similar rates. When the Authority is willing to assume different types of risk, it is compensated through a lower fixed rate payment to the interest rate swap counterparty. Below, these different risks are discussed further.

In an effort to minimize the amount of interest rate risk exposure, the Authority has entered into interest rate swap contracts. An interest rate swap is where the Authority issues variable rate debt, and then enters into a contract with a counterparty that agrees to pay the Authority a variable rate in return for a fixed rate. The debt is then referred to as synthetically fixed rate.

While the interest rate swap reduces rate risk, the Authority has exposed itself to other risks. These risks may or may not include: counterparty risk, termination risk, basis point risk, tax event risk, rollover risk and amortization risk.

**Counterparty risk** is the risk that the swap counterparty will not fulfill its obligations set forth under the terms and conditions of the swap contract. This could have the effect of rendering the debt exposed to all of the risks associated with variable rate debt. This could reduce cash flow, if the Authority anticipated a termination payment. The Authority monitors counterparty ratings. If a counterparty's financial health is deteriorating, the Authority may have to consider the debt as variable for future decision-making. If necessary, the Authority may set up additional Master Swap Agreements with new counterparties in an effort to diversify counterparty risk.

**Termination risk** is the risk that the swap could be terminated by the counterparty due to any of several events, which may include an Authority or counterparty ratings downgrade, covenant violation by either party, bankruptcy of either party, swap payment default by either party, and default events as defined in the Authority's bond indentures. The Authority mitigates this risk by working with highly rated counterparties, monitoring their ratings, hiring well-respected bond and underwriter's counsel, and diversifying counterparty risk.

**Basis point risk** refers to a mismatch between the interest rate received from the swap contract and the interest actually paid on the Authority's debt. The Authority has entered into percentage of London Interbank Offered Rate (LIBOR) swap contracts. Over the past fifteen to twenty years the Authority's short-term debt has generally traded, between 67% and 70% of LIBOR. During the credit crisis that began in 2008, the Authority's short-term debt traded outside this typical range. The idea with a percentage of LIBOR swap is to pay the Authority's historical rate of approximately 68% LIBOR and receive 70% of LIBOR. Taking on this additional risk lowers the fixed rate that the Authority will have to pay the counterparty. The Authority's variable rate debt has traded at 100%+ of LIBOR and during those periods received only 70% of LIBOR, consequently, the Authority had to make up the difference. In an effort to reduce basis point risk, the Authority has entered into interest rate swap agreements where the counterparty pays a percent of LIBOR plus an increment (e.g. 61% of LIBOR plus 40 basis points). This type of trade greatly reduces the payment mismatch during low interest rate environments. Normally, when the Authority structures a bond deal, a portion of the deal is left unhedged. The benefit of unhedged variable rate debt during extremely low interest rate environments more than offsets the loss from assuming basis point risk.

**Tax event risk** is the risk that a change in the marginal income tax rates or a change in the tax code impacts the trading value of tax-exempt bonds. The Authority has entered into a few swap contracts where tax risk was not assumed. The Authority takes into account changes and anticipated changes in the tax code in analyzing future debt structure.

**Rollover risk** is the risk that the swap contract is not coterminous with the related debt. The Authority has a few swap contracts that will end prior to the last bond maturing. This is a choice that the Authority has made in an effort to deal with amortization risk, our next topic.

**Amortization risk** is the risk that there is a mismatch or potential mismatch between the Authority's bonds and the notional amount of the swap outstanding. This mismatch could expose the Authority to variable interest rates if the swap amortizes quicker than the bonds or subject the Authority to a payment to the counterparty to terminate a portion of the swap contract early if the bonds are redeemed quicker than anticipated. To mitigate this risk the Authority has purchased options to terminate the swap contract early, without a termination payment. In structuring the debt, the Authority has included a portion of the debt as variable rate debt that can be called at par at any time from any source. This would allow the Authority to direct any unexpected prepayments to the variable rate debt.

### **Debt Management**

A very important tool in managing the Authority's debt and integrating swaps into the financing structures is the cash flows. Each time the Authority goes to the market with a new debt offering, cash flow/financial projections are created for the new offering as well as the entire general resolution. A tremendous amount of detail and planning goes into creating these cash flows and financial projections. While the Authority is structuring a bond financing, staff gathers detailed information on the types of mortgage to be funded to determine how much flexibility the plan of finance will require. If a refunding is involved, the Authority will gather information on the loans that will be transferred. The type of information includes: remaining term, if the owners have waived their right to pre-pay, type of subsidy if any, interest rates, chance of pre-payment, reserves, capital needs and whether or not the property is or could become financially troubled. This information gives staff the opportunity to maximize returns by matching assets with the proper type of debt.

The Authority has used its strong financial position and sophisticated staff to maximize funding for the Authority's financing programs. At the same time it has kept the Authority's risks at a very manageable level.

### **Financial Advisors**

The Authority engages financial advisors to gain assurances on market rate transactions as well as to comply with various Federal and GASB requirements. The Authority's financial advisors must be independent of the Authority (i.e. providing advisory services only) and registered with the SEC and MSRB. The following are examples of how the Authority utilizes these financial advisors:

- Structuring Debt Issuance – The Authority engages financial advisors to participate in the structuring of debt issuance, provide comfort with the pricing of the debt and develop rating agency and indenture cash flow schedules.
- Swap Transactions – Participate in all negotiations related to swap transactions. Also see Interest Rate Swap Advisor Policy.
- Reporting/Monitoring Requirements – The Authority works with the financial advisors to meet all Federal and State of Michigan reporting/monitoring requirements.



The Authority will work with financial advisors that will comply, in good faith, with policies and procedures reasonably designed to ensure that the financial advisor satisfies the requirements set forth by the SEC, MSRB and also contained in the Dodd-Frank Act.

Any financial advisor providing advice to the Authority with respect to interest rate swap transactions entered into, terminated other than in accordance with their terms, or materially modified or amended, in each case on or after May 1, 2013 must also meet the requirements set forth in the attached Interest Rate Swap Advisor Policy.

## Interest Rate Swap Advisor Policy

The following documents the Michigan State Housing Development Authority's ("Authority") policy regarding its interest rate swap advisors as of June 19, 2013.

1. Reference is made to the Authority's Variable Rate Debt and Swap Management Policy (the "Swap Management Policy"), as supplemented and amended to the date hereof. This Policy is supplemental to the Swap Management Policy, and shall apply to interest rate swaps, caps, collars, rate locks and similar transactions to which the Authority is a party or with respect to which the Authority may have direct or indirect financial obligations (collectively, "Swaps", and individually, a "Swap").

2. With respect to each Swap transaction entered into, terminated other than in accordance with its terms, or materially modified or amended, in each case on or after May 1, 2013, the Authority, through its Authorized Representative<sup>1</sup>, shall appoint one or more qualified independent advisors, each of whom shall meet all of the qualification criteria for a qualified independent representative set forth in §23.450(b) of the Rules and Regulations of the Commodity Futures Trading Commission (the "Commission"), including but not limited to the requirements that each advisor must:

- a. Have sufficient knowledge to evaluate the transaction and risks;
- b. Not be subject to a statutory disqualification;
- c. Be independent (as defined in §23.450(c) of the Rules and Regulations of the Commission) of any counterparty to the Swap;
- d. Undertake a duty to act in the best interests of the Authority;
- e. Make appropriate and timely disclosures to the Authority, including, but not limited to, disclosure of any fact or circumstance of any material conflicts of interest that could reasonably affect the judgment or decision making of the advisor with respect to its obligations to the Authority, or which could otherwise adversely affect the independent status of the advisor;
- f. Evaluate, consistent with any guidelines provided by the Authority, fair pricing and the appropriateness of the Swap;
- g. Provide advice as to any "recommendation" (as defined in §23.434 and §23.440) of a swap dealer with respect to a Swap or any trading strategy involving a Swap;
- h. Be subject to, and comply with, restrictions on certain political contributions imposed by the Commission, the Securities and Exchange Commission or a self-regulatory organization subject to the jurisdiction of the Commission or the Securities and Exchange Commission; and

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<sup>1</sup> For purposes of this Policy, the term "Authorized Representative" shall mean the Executive Director, the Chief of Staff, the Chief Financial Officer, the Director of Legal Affairs, the Deputy Director of Legal Affairs, the Chairperson or Vice Chairperson of the Authority, together with any person duly appointed and acting in such capacity.

- i. Have represented in writing that it has policies and procedures reasonably designed to ensure that it satisfies the requirements set forth above, the it meets the independence requirements set forth in §23.450(c) of the Rules and Regulations, and is legally obligated to comply with the requirements set forth above.
  
3. The Chief Financial Officer (the “Finance Officer”) shall regularly monitor, during the entire course of the engagement of an independent swap advisor pursuant to this Policy, the performance of the independent swap advisor, and its compliance with the requirements of this Policy and applicable law. If any person is designated by the Finance Officer to monitor the performance and compliance of the independent swap advisor, that person shall promptly report to the Finance Officer any failure of the independent swap advisor in its performance of its duties or in compliance with the requirements of this Policy.

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**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY  
SERIES RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF  
SINGLE-FAMILY MORTGAGE REVENUE BONDS, 2025 SERIES A  
IN AN AMOUNT NOT TO EXCEED \$425,000,000**

March 20, 2025

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, 2025 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 Director of Finance, the Chief Legal Affairs Officer, the Director of In-House Legal Services, the Director of Legal Transactions, 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 2025 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. 2025 Series A Resolution.** This resolution (hereinafter referred to as the “2025 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 2025 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.

“2025 Series A Bonds” means the Bonds authorized by Article II of this 2025 Series A Resolution.

“2025 Series A Down Payment Assistance Loan Principal Prepayments” means any payment by a mortgagor or other recovery of principal on a 2025 Series A Down Payment Assistance Loan which is not applied on a scheduled installment of principal and interest on a 2025 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 2025 Series A Down Payment Assistance Loan) and the portion of any amounts received in connection with the liquidation of a defaulted 2025 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 2025 Series A Down Payment Assistance Loan.

“2025 Series A Down Payment Assistance Loans” means (i) any loan financed or acquired with amounts received in connection with the issuance of the 2025 Series A Bonds or with other amounts made available by the Authority in respect of the 2025 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.

“2025 Series A Mortgage Loans” means all Mortgage Loans or portions of Mortgage Loans financed or acquired from the proceeds of or allocable to the 2025 Series A Bonds.

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

“Capital Appreciation Bonds” means the 2025 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 2025 Series A Bonds.

“Closing Date” means the date on which the 2025 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, 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 2025 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 2025 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 2025 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 2025 Series A Bonds and which is selected by the Authority.

“Serial Bonds” means the 2025 Series A Bonds, if any, which are authorized as Serial Bonds pursuant to Section 203 hereof.

“Super Sinker Bonds” means the 2025 Series A Bonds, if any, which are designated as Super Sinker Bonds in the Purchase Contract pursuant to Section 206(d) of this 2025 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 2025 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, RBC Capital Markets, LLC, and such other underwriters as may be named in the Purchase Contract.

## ARTICLE II AUTHORIZATION OF 2025 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 \$425,000,000, as established pursuant to Section 203 hereof. Such Series of Bonds shall be designated as “Single-Family Mortgage Revenue Bonds, 2025 Series A”.

**202. Purposes.** The purposes for which the 2025 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 2025 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 2025 Series A Bonds, to the extent provided for in the Purchase Contract; and (iv) paying the costs of issuance of the 2025 Series A Bonds, to the extent provided for in the Purchase Contract.

**203. Interest Rates, Principal Amounts and Maturity Dates.** The 2025 Series A Bonds shall be dated and shall be issued on or before May 31, 2025, as approved by an Authorized Representative. The 2025 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 2025 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 December 1, 2025, 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 2025 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 2025 Series A Bonds on the fifteenth (15<sup>th</sup>) 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 2025 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 2025 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 2025 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 2025 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 2025 Series A Bonds and the compensation to be paid to the Underwriters with respect to the 2025 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 2025 Series A Bonds, and with respect to the compensation to be paid to the Purchasers, the purchase price of the 2025 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 2025 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 2025 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 2025 Series A Bonds;

(c) The schedule of maturities and the amount of each maturity for the 2025 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 2025 Series A Bonds shall not be later than June 1, 2058;

(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 2025 Series A Bonds on any June 1 or December 1, excluding the accretion of any Capital Appreciation Bonds, shall not exceed Fifty Million Dollars (\$50,000,000);

(f) The proceeds of the 2025 Series A Bonds credited to the Down Payment Assistance Fund shall not exceed fifteen percent (15%) of the original principal amount of the 2025 Series A Bonds; and

(g) The Authority shall not sell the 2025 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 2025 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 2025 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 2025 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 2025 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 2025 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 2025 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 2025 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 2025 Series A Bonds) plus accrued interest to the redemption date in the case of 2025 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) 2025 Series A Bond proceeds remaining uncommitted to the financing of Mortgage Loans or 2025 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) 2025 Series A Down Payment Assistance Loan Principal Prepayments (and Principal Prepayments in respect of Down Payment Assistance Loans financed from other Series of Bonds issued under the General Resolution); 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 2025 Series A Bonds from gross income for Federal income tax purposes, the Authority (i) shall redeem 2025 Series A Bonds within the forty-two (42) month period beginning on the date of issuance thereof, from proceeds of the 2025 Series A Bonds allocated to the financing of 2025 Series A Mortgage Loans and 2025 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 2025 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 2025 Series A Mortgage Loans and from all 2025 Series A Down Payment Assistance Loan Principal Prepayments and regularly scheduled principal repayments received and derived from 2025 Series A Down Payment Assistance Loans on and after the tenth (10<sup>th</sup>) anniversary of the date of issuance of the 2025 Series A Bonds.

(c) With respect to redemptions pursuant to subsections (a) and (b) above, the 2025 Series A Bonds to be redeemed shall be selected from the Outstanding maturities of the 2025 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 2025 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 2025 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, 2030) 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 2025 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 2025 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 2025 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 2025 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 2025 Series A Bonds that were subject to the notice of redemption shall remain Outstanding Bonds.

**209. Sale of 2025 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 2025 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 2025 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 2025 Series A Bonds or the aggregate principal amount of the outstanding 2025 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 2025 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 2025 Series A Mortgage Loans and 2025 Series A Down Payment Assistance Loans allocated to the 2025 Series A Bonds (except 2025 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 2025 Series A Bond Proceeds Fund and allocated to the purchase or financing of 2025 Series A Mortgage Loans (except 2025 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 2025 Series A Bonds and the financing of 2025 Series A Down Payment Assistance Loans. The deposits to the Capital Reserve Fund made and to be made pursuant to this 2025 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 2025 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 2025 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 2025 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 2025 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 2025 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 2025 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 2025 Series A Bonds in an amount sufficient to satisfy the Capital Reserve Fund Requirement relating to the 2025 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 2025 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 2025 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 2025 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 2025 Series A Bonds on the first applicable interest payment date).

**304. Tax Covenants.**

(a) The Authority shall use the proceeds of the 2025 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 2025 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 2025 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 2025 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 2025 Series A Bonds to become includable in gross income for Federal income tax purposes.

**305. Series Program Determinations.** Each newly originated 2025 Series A Mortgage Loan shall have the following terms, conditions, provisions and limitations:

(a) The promissory note for each 2025 Series A Mortgage Loan must be payable or endorsed to the Authority, and such 2025 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 2025 Series A Mortgage Loan, and such 2025 Series A Mortgage Loan must have a servicer that tracks servicing of such 2025 Series A Mortgage Loan pursuant to a written agreement with the Authority relating thereto;

(b) Each 2025 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 2025 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 2025 Series A Mortgage Loan;

(c) Each 2025 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 2025 Series A Mortgage Loan;

(d) Each 2025 Series A Mortgage Loan shall relate to a single-family residential structure or condominium unit;

(e) (1) Each 2025 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 2025 Series A Mortgage Loan in an amount which, when combined with the down payment applicable to such 2025 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 2025 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 2025 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 2025 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 2025 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 2025 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 2025 Series A Mortgage Loans or 2025 Series A Down Payment Assistance Loans and use the proceeds of such sale to redeem 2025 Series A Bonds as provided in Section 206 hereof except for 2025 Series A Mortgage Loans or 2025 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 2025 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 2025 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 2025 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 2025 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 2025 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 2025 Series A Resolution with respect to moneys received by the Authority in connection with the issuance of the 2025 Series A Bonds.

(b) Amounts on deposit in the Down Payment Assistance Fund received by the Authority in connection with the issuance of the 2025 Series A Bonds, if any, and any additional amounts deposited by the Authority in the Down Payment Assistance Fund in respect of the 2025 Series A Bonds as hereinafter provided, if any, shall be used, upon Authority Request, to finance 2025 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 2025 Series A Bonds from unrestricted Authority funds for the purpose of financing additional 2025 Series A Down Payment Assistance Loans. No amounts on deposit in the Down Payment Assistance Fund shall be used to finance Mortgage Loans. Each 2025 Series A Down Payment Assistance Loan shall have the following terms, conditions, provisions and limitations:

(i) Each 2025 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 2025 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 2025 Series A Down Payment Assistance Loan may be subordinated to the related Authority Refinance Loan;

(iii) The promissory note for each 2025 Series A Down Payment Assistance Loan must be payable or endorsed to the Authority and the 2025 Series A Down Payment Assistance Loan must be originated in the name of the Authority or be assigned to the Authority;

(iv) Each 2025 Series A Down Payment Assistance Loan shall be in a principal amount not to exceed Fifteen Thousand Dollars (\$15,000); and



(v) Each 2025 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 2025 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 2025 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 2025 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 2025 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 2025 Series A Down Payment Assistance Loans including all 2025 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 2025 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 2025 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 2025 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 2025 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 2025 Series A Down Payment Assistance Loans or to comply with tax covenants or requirements of the Authority relating to its program for making 2025 Series A Down Payment Assistance Loans, if the Cash Flow Statement delivered in connection with any sale of 2025 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 2025 Series A Down Payment Assistance Loans or invested in Investment Obligations on terms then available.

**ARTICLE IV**  
**FORMS, EXECUTION AND DELIVERY OF**  
**2025 SERIES A BONDS**

**401. Forms of 2025 Series A Bonds.** Subject to the provisions of the General Resolution, the form of the 2025 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 2025 Series A Bonds.** (a) The 2025 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 2025 Series A Bonds shall be authenticated by the manual signature of an authorized signer of the Trustee.

(b) The 2025 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 2025 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 2025 Series A Bond (a “2025 Series A Bond”) for each maturity and interest rate of 2025 Series A Bonds, in the aggregate principal amount of such maturity and interest rate, 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 2025 Series A Bonds shall be in the form of the 2025 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, 2025 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 2025 Series A Bonds;

(ii) the delivery to any Agent Member, beneficial owner of the 2025 Series A Bonds or other person, other than the Securities Depository, of any notice with respect to the 2025 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 2025 Series A Bonds;

(iv) any consent given by Cede & Co. as Bondowner of the 2025 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 2025 Series A Bonds are redeemed in part.

So long as the certificates for the 2025 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 2025 Series A Bonds for all purposes whatsoever, including without limitation:

(1) the payment of principal, premium, if any, and interest on such 2025 Series A Bond;

(2) giving notices of redemption and other matters with respect to such 2025 Series A Bond; and

(3) registering transfers with respect to such 2025 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 2025 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 2025 Series A Bonds as provided in subsection (d) below. In addition, the Authority may determine at any time that the 2025 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 2025 Series A Bonds. In any such event the Authority shall execute and the Trustee shall authenticate and deliver certificates representing the 2025 Series A Bonds as provided in subsection (d) below.

(d) Certificates for the 2025 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 2025 Series A Bonds to the persons in whose names such 2025 Series A Bonds are so registered as soon as practicable.

**404. Conflict With Representation Letter.** Notwithstanding any other provision of this 2025 Series A Resolution to the contrary, so long as any 2025 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 2025 Series A Bond, and all notices with respect to such 2025 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 2025 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 2025 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 2025 Series A Bonds subject to, and as may be required by the Purchase Contract, the General Resolution and this 2025 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 2025 Series A Bonds not paid from the proceeds of the 2025 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 2025 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 2025 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 2025 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 2025 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 2025 Series A Bonds pursuant to any arrangement, formal or informal, in an amount related to a Mortgage Loan or 2025 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 2025 Series A Bonds, the Trustee shall cause a notice of any redemption of 2025 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 2025 Series A Bonds to be

redeemed who has not presented and surrendered such 2025 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 2025 Series A Bonds to be so redeemed: the complete title of the 2025 Series A Bonds, the CUSIP numbers of the 2025 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 2025 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 2025 Series A Bonds.

**509. Continuing Disclosure.** The 2025 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 2025 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, 38<sup>th</sup> 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 2025 Series A Bonds:

- (a) any acceleration of payment of the principal of and interest on the 2025 Series A Bonds;
- (b) any amendments to this 2025 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 2025 Series A Bonds.

**511. Effective Date.** This 2025 Series A Resolution shall take effect immediately. If the 2025 Series A Bonds are not delivered to the Purchasers on or before May 31, 2025, the authority granted by this 2025 Series A Resolution shall lapse.

EXHIBIT A

[FORM OF 2025 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, 2025 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 (15<sup>th</sup>) 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 2025 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 2025 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 2025 SERIES A BOND AND THIS 2025 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 2025 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 2025 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 2025 Series A Bond. This 2025 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 2025 Series A Bond is one of a series of Bonds designated “Single-Family Mortgage Revenue Bonds, 2025 Series A” (the “2025 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, 2025 Series A in an Amount not to Exceed \$425,000,000, adopted on March 20, 2025 (the “2025 Series A Resolution”) (the General Resolution and the 2025 Series A Resolution are collectively herein called the “Resolutions”). The proceeds of the 2025 Series A Bonds will be utilized by the Authority as provided in the Resolutions. The 2025 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 2025 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 2025 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 2025 Series A Bonds, the nature, extent and manner of enforcement of such pledges, the rights and remedies of the registered owners of the 2025 Series A Bonds with respect thereto and the terms and conditions upon which the 2025 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 2025 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 2025 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 2025 Series A Bond or 2025 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 2025 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 2025 Series A Bonds.

The 2025 Series A Bonds are subject to redemption prior to maturity as provided in the 2025 Series A Resolution. Notice of any such redemption shall be given to the registered owners of any 2025 Series A Bonds or portions thereof to be redeemed as provided in the 2025 Series A Resolution.

This 2025 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 2025 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 2025 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 2025 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 2025 Series A Bonds described in the within-mentioned 2025 Series A Resolution.

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

By \_\_\_\_\_  
Authorized Representative

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

EXHIBIT B

[FORM OF 2025 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, 2025 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 2025 Series A Bond shall become payable, the Appreciated Amount (as defined in the 2025 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 2025 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 2025 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 2025 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 2025 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 2025 Series A Bond shall thereafter bear interest at the rate equal to the approximately yield established in the 2025 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 2025 SERIES A BOND AND THIS 2025 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 2025 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 2025 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 2025 Series A Bond. This 2025 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 2025 Series A Bond is one of a series of Bonds designated “Single-Family Mortgage Revenue Bonds, 2025 Series A” (the “2025 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, 2025 Series A in an Amount not to Exceed \$425,000,000, adopted on March 20, 2025 (the “2025 Series A Resolution”) (the General Resolution and the 2025 Series A Resolution are collectively herein called the “Resolutions”). The proceeds of the 2025 Series A Bonds will be utilized by the Authority as provided in the Resolutions. The 2025 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 2025 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 2025 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 2025 Series A Bonds, the nature, extent and manner of enforcement of such pledges, the rights and remedies of the registered owners of the 2025 Series A Bonds with respect thereto and the terms and conditions upon which the 2025 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 2025 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 2025 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 2025 Series A Bond or 2025 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 2025 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 2025 Series A Bonds.

The 2025 Series A Bonds are subject to redemption prior to maturity as provided in the 2025 Series A Resolution. Notice of any such redemption shall be given to the registered owners of any 2025 Series A Bonds or portions thereof to be redeemed as provided in the 2025 Series A Resolution.

The Appreciated Amount for this 2025 Series A Bond shall be determined as provided in the 2025 Series A Resolution.

This 2025 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 2025 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 2025 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 2025 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 2025 Series A Bonds described in the within-mentioned 2025 Series A Resolution.

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

By \_\_\_\_\_  
Authorized Representative

Date of Authentication:

[End of 2025 Series A Bond Forms]

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY  
SERIES RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF  
SINGLE-FAMILY MORTGAGE REVENUE BONDS, 2025 SERIES B  
(FEDERALLY TAXABLE) IN AN AMOUNT NOT TO EXCEED \$275,000,000**

March 20, 2025

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, 2025 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 Director of Finance, the Chief Legal Affairs Officer, the Director of In-House Legal Services, the Director of Legal Transactions, 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 2025 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. 2025 Series B Resolution.** This resolution (hereinafter referred to as the “2025 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 2025 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.

“2025 Series B Bonds” means the Bonds authorized by Article II of this 2025 Series B Resolution.

“2025 Series B Down Payment Assistance Loan Principal Prepayments” means any payment by a mortgagor or other recovery of principal on a 2025 Series B Down Payment Assistance Loan which is not applied on a scheduled installment of principal and interest on a 2025 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 2025 Series B Down Payment Assistance Loan) and the portion of any amounts received in connection with the liquidation of a defaulted 2025 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 2025 Series B Down Payment Assistance Loan.

“2025 Series B Down Payment Assistance Loans” means (i) any loan financed or acquired with amounts received in connection with the issuance of the 2025 Series B Bonds or with other amounts made available by the Authority in respect of the 2025 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.

“2025 Series B Home Improvement Mortgage Loan” means a 2025 Series B Mortgage Loan the proceeds of which are used to finance improvements to a residence and which loan satisfies the requirements for 2025 Series B Home Improvement Mortgage Loans in Section 305.

“2025 Series B Mortgage Loans” means all Mortgage Loans or portions of Mortgage Loans, including 2025 Series B Home Improvement Mortgage Loans, financed or acquired from the proceeds of or allocable to the 2025 Series B Bonds.

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

“Capital Appreciation Bonds” means the 2025 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 2025 Series B Bonds.

“Closing Date” means the date on which the 2025 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, 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 2025 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 2025 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 2025 Series B Bonds and which is selected by the Authority.

“Serial Bonds” means the 2025 Series B Bonds, if any, which are authorized as Serial Bonds pursuant to Section 203 hereof.

“Super Sinker Bonds” means the 2025 Series B Bonds, if any, which are designated as Super Sinker Bonds in the Purchase Contract pursuant to Section 206(d) of this 2025 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 2025 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, RBC Capital Markets, LLC, and such other underwriters as may be named in the Purchase Contract.

## **ARTICLE II AUTHORIZATION OF 2025 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, 2025 Series B (Federally Taxable)”.

**202. Purposes.** The purposes for which the 2025 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 2025 Series B Bonds, except in each case 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 2025 Series B Bonds, to the extent provided for in the Purchase Contract; and (iv) paying the costs of issuance of the 2025 Series B Bonds, to the extent provided for in the Purchase Contract.

**203. Interest Rates, Principal Amounts and Maturity Dates.** The 2025 Series B Bonds shall be dated and shall be issued on or before May 31, 2025, as approved by an Authorized Representative. The 2025 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 2025 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 December 1, 2025, 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 2025 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 2025 Series B Bonds on the fifteenth (15<sup>th</sup>) 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 2025 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 2025 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 2025 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 2025 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 2025 Series B Bonds and the compensation to be paid to the Underwriters with respect to the 2025 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 2025 Series B Bonds, and with respect to the compensation to be paid to the Purchasers, the purchase price of the 2025 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 2025 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 2025 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 2025 Series B Bonds;

(c) The schedule of maturities and the amount of each maturity for the 2025 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 2025 Series B Bonds shall not be later than June 1, 2058;

(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 2025 Series B Bonds on any June 1 or December 1, excluding the accretion of any Capital Appreciation Bonds, shall not exceed Fifteen Million Dollars (\$15,000,000);

(f) The proceeds of the 2025 Series B Bonds credited to the Down Payment Assistance Fund shall not exceed fifteen percent (15%) of the original principal amount of the 2025 Series B Bonds;

(g) The Authority shall not sell the 2025 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 2025 Series B Bonds shall be used to finance or acquire 2025 Series B Home Improvement Mortgage Loans.

**204. Denominations, Numbers and Letters.** The 2025 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 2025 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 2025 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 2025 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 2025 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 2025 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 2025 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 2025 Series B Bonds) plus accrued interest to the redemption date in the case of 2025 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) 2025 Series B Bond proceeds remaining uncommitted to the financing of Mortgage Loans or 2025 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) 2025 Series B Down Payment Assistance Loan Principal Prepayments (and Principal Prepayments in respect of Down Payment Assistance Loans financed from other Series of Bonds issued under the General Resolution); 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 2025 Series B Bonds to be redeemed shall be selected from the Outstanding maturities of the 2025 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 2025 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 2025 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, 2030) 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 2025 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 2025 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 2025 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 2025 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 2025 Series B Bonds that were subject to the notice of redemption shall remain Outstanding Bonds.

**209. Sale of 2025 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 2025 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 2025 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 2025 Series B Bonds or the aggregate principal amount of the outstanding 2025 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 2025 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 2025 Series B Mortgage Loans and 2025 Series B Down Payment Assistance Loans allocated to the 2025 Series B Bonds (except 2025 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 2025 Series B Bond Proceeds Fund and allocated to the purchase or financing of 2025 Series B Mortgage Loans (except 2025 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 2025 Series B Bonds and the financing of 2025 Series B Down Payment Assistance Loans. The deposits to the Capital Reserve Fund made and to be made pursuant to this 2025 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 2025 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 2025 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 2025 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 2025 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 2025 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 2025 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 2025 Series B Bonds in an amount sufficient to satisfy the Capital Reserve Fund Requirement relating to the 2025 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 2025 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 2025 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 2025 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 2025 Series B Bonds on the first applicable interest payment date).

**304. Reserved.**

**305. Series Program Determinations.** Each newly originated 2025 Series B Mortgage Loan shall have the following terms, conditions, provisions and limitations:

(a) The promissory note for each 2025 Series B Mortgage Loan must be payable or endorsed to the Authority, and such 2025 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 2025 Series B Mortgage Loan, and such 2025 Series B Mortgage Loan must have a servicer that tracks servicing of such 2025 Series B Mortgage Loan pursuant to a written agreement with the Authority relating thereto;

(b) Each 2025 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 2025 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 2025 Series B Mortgage Loan;

(c) Each 2025 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 2025 Series B Mortgage Loan;



(d) Each 2025 Series B Mortgage Loan shall relate to a single-family residential structure or condominium unit;

(e) Except for 2025 Series B Mortgage Loans that are 2025 Series B Home Improvement Mortgage Loans, (1) each 2025 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 2025 Series B Mortgage Loan in an amount which, when combined with the down payment applicable to such 2025 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 2025 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 2025 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 2025 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 2025 Series B Mortgage Loans that are 2025 Series B Home Improvement Mortgage Loans, the 2025 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 2025 Series B Mortgage Loans that are 2025 Series B Home Improvement Mortgage Loans, a 2025 Series B Mortgage Loan shall be used for the purchase of a residence or both the purchase and rehabilitation of a residence;

(h) Each 2025 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) 2025 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 2025 Series B Mortgage Loans or 2025 Series B Down Payment Assistance Loans and use the proceeds of such sale to redeem 2025 Series B Bonds as provided in Section 206 hereof except for 2025 Series B Mortgage Loans or 2025 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 2025 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 2025 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 2025 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 2025 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 2025 Series B Resolution with respect to moneys received by the Authority in connection with the issuance of the 2025 Series B Bonds.

(b) Amounts on deposit in the Down Payment Assistance Fund received by the Authority in connection with the issuance of the 2025 Series B Bonds, if any, and any additional amounts deposited by the Authority in the Down Payment Assistance Fund in respect of the 2025 Series B Bonds as hereinafter provided, if any, shall be used, upon Authority Request, to finance 2025 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 2025 Series B Bonds from unrestricted Authority funds for the purpose of financing additional 2025 Series B Down Payment Assistance Loans. No amounts on deposit in the Down Payment Assistance Fund shall be used to finance Mortgage Loans. Each 2025 Series B Down Payment Assistance Loan shall have the following terms, conditions, provisions and limitations:

(i) Each 2025 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 2025 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 2025 Series B Down Payment Assistance Loan may be subordinated to the related Authority Refinance Loan;

(iii) The promissory note for each 2025 Series B Down Payment Assistance Loan must be payable or endorsed to the Authority and the 2025 Series B Down Payment Assistance Loan must be originated in the name of the Authority or be assigned to the Authority;

(iv) Each 2025 Series B Down Payment Assistance Loan shall be in a principal amount not to exceed Fifteen Thousand Dollars (\$15,000); and

(v) Each 2025 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 2025 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 2025 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 2025 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 2025 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 2025 Series B Down Payment Assistance Loans including all 2025 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 2025 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 2025 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 2025 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 2025 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 2025 Series B Down Payment Assistance Loans or to comply with requirements of the Authority relating to its program for making 2025 Series B Down Payment Assistance Loans, if the Cash Flow Statement delivered in connection with any sale of 2025 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 2025 Series B Down Payment Assistance Loans or invested in Investment Obligations on terms then available.

#### **ARTICLE IV FORMS, EXECUTION AND DELIVERY OF 2025 SERIES B BONDS**

**401. Forms of 2025 Series B Bonds.** Subject to the provisions of the General Resolution, the form of the 2025 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 2025 Series B Bonds.** (a) The 2025 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 2025 Series B Bonds shall be authenticated by the manual signature of an authorized signer of the Trustee.

(b) The 2025 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 2025 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 2025 Series B Bond (a “2025 Series B Bond”) for each maturity and interest rate (as applicable) of 2025 Series B Bonds, in the aggregate principal amount of such maturity and interest rate (as applicable), 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 2025 Series B Bonds shall be in the form of the 2025 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, 2025 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 2025 Series B Bonds;

(ii) the delivery to any Agent Member, beneficial owner of the 2025 Series B Bonds or other person, other than the Securities Depository, of any notice with respect to the 2025 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 2025 Series B Bonds;

(iv) any consent given by Cede & Co. as Bondowner of the 2025 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 2025 Series B Bonds are redeemed in part.

So long as the certificates for the 2025 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 2025 Series B Bonds for all purposes whatsoever, including without limitation:

(1) the payment of principal, premium, if any, and interest on such 2025 Series B Bond;

(2) giving notices of redemption and other matters with respect to such 2025 Series B Bond; and

(3) registering transfers with respect to such 2025 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 2025 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 2025 Series B Bonds as provided in subsection (d) below. In addition, the Authority may determine at any time that the 2025 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 2025 Series B Bonds. In any such event the Authority shall execute and the Trustee shall authenticate and deliver certificates representing the 2025 Series B Bonds as provided in subsection (d) below.

(d) Certificates for the 2025 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 2025 Series B Bonds to the persons in whose names such 2025 Series B Bonds are so registered as soon as practicable.

**404. Conflict With Representation Letter.** Notwithstanding any other provision of this 2025 Series B Resolution to the contrary, so long as any 2025 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 2025 Series B Bond, and all notices with respect to such 2025 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 2025 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 2025 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 2025 Series B Bonds subject to, and as may be required by the Purchase Contract, the General Resolution and this 2025 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 2025 Series B Bonds not paid from the proceeds of the 2025 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 2025 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 2025 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 2025 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 2025 Series B Bonds, the Trustee shall cause a notice of any redemption of 2025 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 2025 Series B Bonds to be redeemed who has not presented and surrendered such 2025 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 2025 Series B Bonds to be so redeemed: the complete title of the 2025 Series B Bonds, the CUSIP numbers of the 2025 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 2025 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 2025 Series B Bonds.

**509. Continuing Disclosure.** The 2025 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 2025 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, 38<sup>th</sup> 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 2025 Series B Bonds:

(a) any acceleration of payment of the principal of and interest on the 2025 Series B Bonds;

(b) any amendments to this 2025 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 2025 Series B Bonds.

**511. Effective Date.** This 2025 Series B Resolution shall take effect immediately. If the 2025 Series B Bonds are not delivered to the Purchasers on or before May 31, 2025, the authority granted by this 2025 Series B Resolution shall lapse.



EXHIBIT A

[FORM OF 2025 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, 2025 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 (15<sup>th</sup>) 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 2025 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 2025 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 2025 SERIES B BOND AND THIS 2025 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 2025 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 2025 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 2025 Series B Bond. This 2025 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 2025 Series B Bond is one of a series of Bonds designated “Single-Family Mortgage Revenue Bonds, 2025 Series B (Federally Taxable)” (the “2025 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, 2025 Series B in an Amount not to Exceed \$275,000,000, adopted on March 20, 2025 (the “2025 Series B Resolution”) (the General Resolution and the 2025 Series B Resolution are collectively herein called the “Resolutions”). The proceeds of the 2025 Series B Bonds will be utilized by the Authority as provided in the Resolutions. The 2025 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 2025 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 2025 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 2025 Series B Bonds, the nature, extent and manner of enforcement of such

pledges, the rights and remedies of the registered owners of the 2025 Series B Bonds with respect thereto and the terms and conditions upon which the 2025 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 2025 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 2025 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 2025 Series B Bond or 2025 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 2025 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 2025 Series B Bonds.

The 2025 Series B Bonds are subject to redemption prior to maturity as provided in the 2025 Series B Resolution. Notice of any such redemption shall be given to the registered owners of any 2025 Series B Bonds or portions thereof to be redeemed as provided in the 2025 Series B Resolution.

This 2025 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 2025 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 2025 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 2025 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 2025 Series B Bonds described in the within-mentioned 2025 Series B Resolution.

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

By: \_\_\_\_\_  
Authorized Representative

Date of Authentication:

EXHIBIT B

[FORM OF 2025 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, 2025 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 2025 Series B Bond shall become payable, the Appreciated Amount (as defined in the 2025 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 2025 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 2025 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 2025 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 2025 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 2025 Series B Bond shall thereafter bear interest at the rate equal to the approximate yield established in the 2025 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 2025 SERIES B BOND AND THIS 2025 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 2025 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 2025 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 2025 Series B Bond. This 2025 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 2025 Series B Bond is one of a series of Bonds designated “Single-Family Mortgage Revenue Bonds, 2025 Series B (Federally Taxable)” (the “2025 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, 2025 Series B in an Amount not to Exceed \$275,000,000, adopted on March 20, 2025 (the “2025 Series B Resolution”) (the General Resolution and the 2025 Series B Resolution are collectively herein called the “Resolutions”). The proceeds of the 2025 Series B Bonds will be utilized by the Authority as provided in the Resolutions. The 2025 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 2025 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 2025 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 2025 Series B Bonds, the nature, extent and manner of enforcement of such pledges, the rights and remedies of the registered owners of the 2025 Series B Bonds with respect thereto and the terms and conditions upon which the 2025 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 2025 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 2025 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 2025 Series B Bond or 2025 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 2025 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 2025 Series B Bonds.

The 2025 Series B Bonds are subject to redemption prior to maturity as provided in the 2025 Series B Resolution. Notice of any such redemption shall be given to the registered owners of any 2025 Series B Bonds or portions thereof to be redeemed as provided in the 2025 Series B Resolution.

The Appreciated Amount for this 2025 Series B Bond shall be determined as provided in the 2025 Series B Resolution.

This 2025 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 2025 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 2025 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 2025 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 2025 Series B Bonds described in the within-mentioned 2025 Series B Resolution.

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

By: \_\_\_\_\_  
Authorized Representative

Date of Authentication:

[End of 2025 Series B Bond Forms]



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**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**

**RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF SINGLE-FAMILY  
GENERAL OBLIGATION BONDS, 2025 SERIES 1 (FEDERALLY TAXABLE) IN AN  
AMOUNT NOT TO EXCEED \$80,000,000**

**Dated March 20, 2025**

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Exhibit A – Form of 2025 Series 1 General Obligation Bond

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**

**RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF SINGLE-FAMILY  
GENERAL OBLIGATION BONDS, 2025 SERIES 1 (FEDERALLY TAXABLE) IN AN  
AMOUNT NOT TO EXCEED \$80,000,000**

March 20, 2025

WHEREAS, the Members of the Michigan State Housing Development Authority (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 General Obligation Bonds, 2025 Series 1 (Federally Taxable)” to provide moneys pursuant to the terms of this resolution (the “Resolution”) to carry out the purposes of the Authority; and

WHEREAS, pursuant to Section 25 of the Act, the Authority may issue its general obligation bonds for achieving its corporate purposes, which include the financing of single-family homes and providing loans to finance single-family mortgages and related down payment assistance loans; 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 Director of Finance, the Chief Legal Affairs Officer, the Director of In-House Legal Services, the Director of Legal Transactions, 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 2025 Series 1 General Obligation Bonds (as hereinafter defined), subject to limits established herein.

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

**ARTICLE I  
AUTHORITY AND DEFINITIONS**

**101. Authority for Resolution.** This Resolution is adopted pursuant to the authorization contained in the Act.

**102. Resolution to Constitute Contract.** In consideration of the purchase and acceptance of any and all of the 2025 Series 1 General Obligation Bonds issued hereunder by those who shall own the same from time to time; this Resolution shall be deemed to be and shall constitute a contract between the Authority and the Owners of the 2025 Series 1 General Obligation Bonds, the Liquidity Facility Provider, if any, and the Credit Provider, if any, and the pledges made in this Resolution and the covenants and agreements herein set forth to be performed by the Authority shall be for the equal benefit, protection and security of the Owners of any and all of the 2025 Series 1 General Obligation Bonds, all of which, without regard to the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any of the 2025 Series 1 General Obligation Bonds over any other thereof, except as expressly provided in or permitted by this Resolution.



**103. Pledge Effected by this Resolution.** For the purpose of fixing and declaring the terms and conditions upon which the 2025 Series 1 General Obligation Bonds are to be issued, executed, delivered, sold, secured and accepted by the Owners of the 2025 Series 1 General Obligation Bonds, and in order to secure the payment of all 2025 Series 1 General Obligation Bonds at any time issued and Outstanding hereunder and the interest thereon (and all related Reimbursement Obligations) according to their tenor, purport and effect, and in order to secure the performance and observance of all the covenants, agreements and conditions therein and herein contained, the Authority has adopted this Resolution, has pledged, conveyed and assigned, and does hereby pledge, its general obligation full faith and credit (including the Bond Proceeds Fund, General Receipts Fund, Debt Service Fund, Redemption Fund, and Capital Reserve Fund and any related Accounts, created pursuant to Section 1201 of this Resolution) as security for the payment of the 2025 Series 1 General Obligation Bonds and the interest and redemption premium, if any, thereon (and all related Reimbursement Obligations) and as security for the fulfillment of the obligations of the Authority hereunder and for the equal and proportionate benefit and security, from time to time, of the Owners of the 2025 Series 1 General Obligation Bonds, the Liquidity Facility Provider, if any, and the Credit Provider, if any, without preference, priority or distinction as to lien or otherwise, except as otherwise hereinafter provided, of any one 2025 Series 1 General Obligation Bond over any other 2025 Series 1 General Obligation Bond, by reason of priority in the issue, sale or negotiation thereof or otherwise, all in accordance with the terms hereof.

Any property, earnings, revenues or other moneys pledged hereunder by the Authority and which is received hereafter from time to time by or on behalf of the Authority or its agent, including a servicing bank, 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 Resolution nor any instruments by which a pledge is created need be recorded.

Provided, however, subject to Section 803 hereof, that if the Authority, its successors or assigns, shall pay, or cause to be paid, the principal of the 2025 Series 1 General Obligation Bonds and the interest due or to become due upon the 2025 Series 1 General Obligation Bonds at the times and in the manner mentioned in the 2025 Series 1 General Obligation Bonds according to the true intent and meaning thereof, or shall provide, as permitted hereby, for the payment thereof by depositing with the Trustee the entire amount due or to become due thereon (or such amount as provided in Section 505), and shall keep, perform and observe all the covenants and conditions pursuant to the terms of this Resolution to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payment this Resolution and the rights hereby granted shall cease, terminate and be void; otherwise this Resolution is to be and remain in full force and effect.

**104. Definitions.** In addition to terms that are defined elsewhere in this Resolution, the following words and terms, unless the context otherwise requires, shall have the following meanings:

“2025 Series 1 General Obligation Bonds” means the bonds authorized by Article II of this Resolution.

“Act” means Act 346, Michigan Public Acts of 1966, as amended.

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

“Alternate Credit Facility” means a standby bond purchase agreement, 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 2025 Series 1 General Obligation 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 standby bond purchase agreement, letter of credit or other form of liquidity facility for any 2025 Series 1 General Obligation Bonds which bear interest at a Variable Rate or Flexible Rate, providing for payment of the purchase price of such 2025 Series 1 General Obligation 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.

“Amortized Value” means for securities purchased at (i) par, par; and (ii) a premium above, or a discount below par, the value as of any-given date obtained by dividing the total amount of the premium or the discount at which such securities were purchased by the number of days remaining to maturity on such securities at the time of such purchase and by multiplying the amount so calculated by the number of days having passed from the date of such purchase; and (a) in the case of securities purchased at a premium, by deducting the product thus obtained from the purchase price, and (b) in the case of securities purchased at a discount, by adding the product thus obtained to the purchase price.

“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.

“Authority Request” means the written direction of an Authorized Representative with respect to the transfer and/or application of Revenues and other funds pursuant to the terms of the Act, this Resolution, the SFMRB Resolution and the 2025 Series 1 General Obligation Bonds.

“Bank Bonds” means 2025 Series 1 General Obligation Bonds purchased with amounts made available under a Liquidity Facility in accordance with Section 401(e) hereof, but excluding 2025 Series 1 General Obligation 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.

“Bond Proceeds Fund” means the Bond Proceeds Fund established pursuant to Section 1201 of this Resolution.

“Bondholder,” “Bondholders,” “Bondowner,” “Bondowners,” “Holder” or “Holders” or “Owner” means the owner of any 2025 Series 1 General Obligation Bonds.

“Bond Registrar” means the Trustee, to act as bond registrar with respect to the 2025 Series 1 General Obligation Bonds.

“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 2025 Series 1 General Obligation 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.

“Capital Reserve Capital Account” means the fund by that name established by the HDB Resolution in which the initial legislative appropriation by the State to secure, all notes and bonds of the Authority was deposited.

“Capital Reserve Fund” means the Capital Reserve Fund established pursuant to Section 1201 of this Resolution.

“Capital Reserve Fund Requirement” means as of any date of calculation, an amount equal to the maximum amount of principal and estimated interest maturing and becoming due in any succeeding calendar year on all 2025 Series 1 General Obligation Bonds then Outstanding.

“Cash Equivalent” means a letter of credit, insurance policy, surety, guarantee or other security arrangement, provided by an institution which has received a rating of its claims paying ability from the Rating Agency at least equal to the then existing rating on the 2025 Series 1 General Obligation Bonds or whose unsecured debt securities are rated at least the then existing rating on the 2025 Series 1 General Obligation Bonds (or the highest rating of short-term obligations if the Cash Equivalent is a short-term instrument) by the Rating Agency.

“Cede & Co.” means Cede & Co., the nominee of DTC, or any successor nominee of DTC with respect to the 2025 Series 1 General Obligation Bonds.

“Closing Date” means the date on which the 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds pursuant to Section 302 hereof and which is not immediately preceded by a day on which 2025 Series 1 General Obligation 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 hereof; (c) the date on which a Flexible Rate Period becomes effective for all or any portion of the 2025 Series 1 General Obligation 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, becomes effective, 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 2025 Series 1 General Obligation Bonds from the then current Rate Period to another Rate Period as herein described.

“Costs of Issuance” means all items of expense payable or reimbursable directly or indirectly by the Authority and related to the authorization, sale, issuance and remarketing of the 2025 Series 1 General Obligation Bonds, as certified by an Authorized Representative.

“Counsel’s Opinion” means (i) an opinion signed by the Attorney General of the State, (ii) an opinion signed on behalf of the Attorney General of the State by any deputy or Assistant Attorney General or (iii) an opinion signed by an attorney or firm of attorneys selected by the Authority and approved by the Attorney General of the State.

“Credit Facility” means the Initial Credit/Liquidity Facility and, upon the effectiveness of any Alternate Credit Facility, such Alternate Credit Facility. 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 607(c).

“Credit Provider” means the Initial Credit/Liquidity Provider and, upon the effectiveness of an Alternate Credit Facility, shall mean 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 2025 Series 1 General Obligation Bonds bear interest at a Daily Rate.

“Daily Rate” means the rate of interest to be borne by the 2025 Series 1 General Obligation Bonds as described in Section 302(b) hereof.

“Debt Service Fund” means the Debt Service Fund established pursuant to Section 1201 of this Resolution.

“Down Payment Assistance Fund” means the Fund established pursuant to Article III of the resolution of the Authority authorizing the issuance and sale of its Single-Family Mortgage Revenue Bonds, 2003 Series B, under the SFMRB Resolution.

“Down Payment Assistance Loan Principal Prepayments” means any payment by a mortgagor or other recovery of principal on a Down Payment Assistance Loan which is not applied on a scheduled installment of principal and interest on 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 Down Payment Assistance Loan) and the portion of any amounts received in connection with the liquidation of a defaulted 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 Down Payment Assistance Loan.

“Down Payment Assistance Loans” means (i) any loan financed or acquired with amounts received in connection with the issuance of bonds under the SFMRB Resolution or in connection with the issuance of the 2025 Series 1 General Obligation Bonds or with other amounts made available by the Authority and deposited in the Down Payment Assistance Fund and pledged by the Authority in accordance with the Act to bonds issued under the SFMRB Resolution, evidenced by a mortgage note and secured by a mortgage and (ii) any instrument evidencing an ownership interest in such loans.

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

“Event of Default” means any of the events of default described in Section 1102 of this Resolution.

“Expenses” means any moneys required by the Authority to pay the expenses of the Trustee and any expenses which the Authority may lawfully pay, except that fees paid to Credit Providers, Liquidity Facility Providers and other providers of letters of credit, tender options in connection with certain 2025 Series 1 General Obligation Bonds, standby bond purchase agreements and other types of liquidity facilities and credit facilities shall not be included in the definition of Expenses, provided, however, that such expenses related to Cash Equivalents shall not be excluded. Expenses withdrawn from the General Receipts Fund in any Fiscal Year shall not exceed one-half percent (.50%) of the aggregate principal amount of all 2025 Series 1 General Obligation Bonds Outstanding, all on the first day of such Fiscal Year.

“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 2025 Series 1 General Obligation Bonds bearing interest at a Variable Rate, the date on which insufficient funds are available for the purchase of all such 2025 Series 1 General Obligation Bonds tendered or deemed tendered and required to be purchased at the end of the Variable Rate Period as described in Section 407 hereof.

“Fiscal Year” means any twelve (12) consecutive calendar months beginning on the first day of July and ending on the last day of the following June or such other twelve (12) consecutive calendar month period as the Authority may from time to time designate or such shorter period as the Authority may designate in connection with any change in a Fiscal Year.

“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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds during the time such 2025 Series 1 General Obligation Bonds bear interest at a Fixed Rate.

“Fixed Rate Conversion Date” means each day on which all or any portion of the 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds being Converted to the Fixed Rate.

“Fixed Rate Period” means each period during which 2025 Series 1 General Obligation Bonds bear interest at the Fixed Rate.

“Flexible Rate” means, when used with respect to any particular 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds during the time such 2025 Series 1 General Obligation Bonds bear interest at a Flexible Rate.

“Flexible Rate Conversion Date” means each day on which all or any portion of the 2025 Series 1 General Obligation Bonds bear interest at Flexible Rates which is immediately preceded by a day on which such 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bond bears interest at a Flexible Rate.

“Fund” or “Account” means a Fund or Account created by or pursuant to this Resolution.

“General Receipts Fund” means the General Receipts Fund established pursuant to Section 1201 of this Resolution.

“Government Obligations” means obligations of the United States of America (including obligations issued or held in book-entry form on the books of the U.S. Department of the Treasury) or obligations the principal of and interest on which are guaranteed by the United States of America.

“HDB Resolution” means the resolution adopted by the Authority on June 10, 1971, as supplemented on July 3, 1984, authorizing the issuance of Housing Development Bonds of the Authority.

“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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds in the Pricing Notice delivered in connection with the Conversion of such 2025 Series 1 General Obligation Bonds, “Index Rate Determination Date” shall mean the dates specified in such Pricing Notice.

“Index Rate Index” means, with respect to any 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds bear interest at the Index Rate.

“Initial Credit/Liquidity Provider” means Royal Bank of Canada, acting through its branch located at 200 Vesey Street, New York, New York 10281 (or such other financial institution approved by an Authorized Representative), and its successors and assigns.

“Initial Credit/Liquidity Facility” means the initial irrevocable direct pay letter of credit issued by the Initial Credit/Liquidity Provider in favor of the Trustee pursuant to the Initial Reimbursement Agreement to provide credit enhancement and liquidity support for the 2025 Series 1 General Obligation Bonds bearing interest in the Weekly Rate, as it may be amended, restated or otherwise modified from time to time. The Initial Credit/Liquidity Facility shall constitute a Credit Facility and a Liquidity Facility under this Resolution and all references to a “Credit Facility” and “Liquidity Facility” hereunder shall include the Initial Credit/Liquidity Facility.

“Initial Reimbursement Agreement” means the Reimbursement Agreement to be entered into between the Authority and the Initial Credit/Liquidity Provider relating to the Initial Credit/Liquidity Facility, as it may be amended, restated or otherwise modified from time to time.

“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 2025 Series 1 General Obligation 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 Agency as necessary to obtain (or maintain) a specified rating on the 2025 Series 1 General Obligation Bonds, (b) if the 2025 Series 1 General Obligation 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 Agency as necessary to obtain (or maintain) a specified rating on the 2025 Series 1 General Obligation Bonds, and (c) if the 2025 Series 1 General Obligation 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 Agency as necessary to obtain (or maintain) a specified rating on the 2025 Series 1 General Obligation Bonds.

“Interest Payment Date” means (a) when used with respect to 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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.

“Insurance Proceeds” means payments received with respect to the Mortgage Loans under any insurance policy or guarantee or under any fidelity bond.

“Investment Obligations” means, to the extent authorized by law for investment of moneys of the Authority at the time of such investment:

(i)(A) Government Obligations, or (B) obligations of any state of the United States of America or any political subdivision of such a state rated in the highest rating category of the Rating Agency, payment of which is secured by an irrevocable pledge of such Government Obligations;

(ii)(A) bonds, debentures or other obligations issued by the Student Loan Marketing Association, Federal Land Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, the Federal Home Loan Banks, the Tennessee Valley Authority, the United States Postal Service, Federal Farm Credit System Obligations; the Federal Home Loan Mortgage Corporation, Export Import Bank, World Bank, International Bank for Reconstruction and Development and Inter-American Development Bank; or (B) bonds, debentures or other obligations issued by the Federal National Mortgage Association;

(iii) any obligations of any agency controlled or supervised by or acting as an instrumentality of the United States Government pursuant to authority granted by the Congress of the United States;

(iv) obligations issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America, or temporary notes,

preliminary loan notes or project notes issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;

(v) time deposits, certificates of deposit or any other deposit with a domestic or foreign bank, trust company, national banking association, savings bank, federal mutual savings bank, savings and loan association, federal savings and loan association or any other institution chartered, licensed or qualified to do business by any state or chartered or licensed by the U.S. Comptroller of the Currency to accept deposits in such state (as used herein, “deposits” shall mean obligations evidencing deposit liability which rank at least on a parity with the claims of general creditors in liquidation), which are (a) fully secured, to the extent not insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, by any of the obligations described in (i) above having a market value (exclusive of accrued interest) not less than the uninsured amount of such deposit or (b) (1) unsecured or (2) secured to the extent, if any, required by the Authority and made with an institution whose unsecured debt securities are rated at least the then existing rating on the 2025 Series 1 General Obligation Bonds (or the highest rating of short-term obligations if the investment is a short-term obligation) by the Rating Agency;

(vi) repurchase agreements (A) backed by or related to obligations described in (i), (ii) or (iii) above with any institution whose unsecured debt securities are rated at least the then existing rating on the 2025 Series 1 General Obligation Bonds (or the highest rating of short-term obligations if the investment is a short-term obligation) by the Rating Agency or (B) backed by or related to obligations described in (i) above with members of the Association of Primary Dealers, which do not qualify under (A);

(vii) investment agreements secured or unsecured as required by the Authority, with any institution whose debt securities are rated at least the then existing rating on the 2025 Series 1 General Obligation Bonds (or the highest rating of short-term obligations if the investment is a short-term obligation) by the Rating Agency;

(viii) direct and general obligations of or obligations unconditionally guaranteed by the State, the payment of the principal of and interest on which the full faith and credit of the State is pledged, and certificates of participation in obligations of the State which obligations are subject to annual appropriations, and which obligations are rated at least the then-existing rating on the 2025 Series 1 General Obligation Bonds by the Rating Agency;

(ix) direct and general obligations of or obligations guaranteed by any state, municipality or political subdivision or agency thereof, which obligations are rated at least the then-existing rating on the 2025 Series 1 General Obligation Bonds by the Rating Agency;

(x) bonds, debentures, or other obligations issued by any domestic or foreign bank, trust company, national banking association, insurance company, corporation, government or governmental entity; provided, that such bonds, debentures or other obligations are rated at least the then-existing rating on the 2025 Series 1 General Obligation Bonds by the Rating Agency;

(xi) commercial paper (having original maturities of not more than 365 days) rated in the highest rating category of the Rating Agency; or

(xii) money market funds and other funds which invest in Government Obligations or obligations described in Section 103 of the Code and which funds have been rated at least the then-existing rating on the 2025 Series 1 General Obligation Bonds by the Rating Agency;

provided, that it is expressly understood that the definition of Investment Obligations shall be, and be deemed to be, expanded, or new definitions and related provisions shall be added to this Resolution by a Supplemental Resolution, thus permitting investments with different characteristics from those permitted above which the Authority deems from time to time to be in the interests of the Authority to include as Investment Obligations if at the time of including such inclusion will not, in and of itself, impair, or cause the 2025 Series 1 General Obligation Bonds to fail to retain, the then-existing rating assigned to them by the Rating Agency.

For purposes of this definition, “institution” means an individual, partnership, corporation, trust or unincorporated organization, or a government or agency, instrumentality, program, account, fund, political subdivision or corporation thereof.

“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 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 2025 Series 1 General Obligation Bonds, the Initial Credit/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 2025 Series 1 General Obligation Bond (other than 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds bearing interest at the Weekly Rate.

“Liquidity Facility Provider” means the Initial Credit/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.

“Mandatory Credit/Liquidity Tender” means the mandatory tender of the 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 securities without notice, in which case there will be no mandatory tender.

“Maximum Rate” means (a) with respect to 2025 Series 1 General Obligation 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.

“Mortgage Loan” means (i) any loan financed 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.

“Mortgage Lender” means any person approved by the Authority for participation in the Program, who shall participate in the financing of Mortgage Loans by the Authority.

“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.

“Outstanding” means, as of any date, all 2025 Series 1 General Obligation Bonds theretofore authenticated and delivered by the Trustee under this Resolution, except:

(a) any 2025 Series 1 General Obligation Bond deemed paid in accordance with Section 1209 hereof;

(b) any 2025 Series 1 General Obligation Bond cancelled by, or delivered for cancellation to, the Trustee because of payment at maturity or redemption or purchase prior to maturity; and

(c) any 2025 Series 1 General Obligation Bond deemed paid in accordance with the provisions of Section 505 hereof.

“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 2025 Series 1 General Obligation Bonds is due and payable, whether at maturity, upon acceleration or upon redemption.

“Program” means the Authority’s Single-Family Mortgage Loan Program.

“Purchase Contract” means, the contract of purchase between the Authority and the Underwriter with respect to the 2025 Series 1 General Obligation Bonds.

“Purchase Date” means any date on which any 2025 Series 1 General Obligation Bond is purchased pursuant to Article IV.

“Purchase Fund” means the fund established by Section 606.

“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.

“Rating Agency” means S&P, or such other rating agency or agencies then rating the 2025 Series 1 General Obligation Bonds.

“Record Date” means (a) with respect to any Interest Payment Date in respect of a 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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.

“Redemption Fund” means the Redemption Fund established pursuant to Section 1201 of this Resolution.

“Redemption Price” means, with respect to a 2025 Series 1 General Obligation Bond or portion thereof, the portion of the principal amount of such 2025 Series 1 General Obligation Bond or portion plus the applicable premium, if any, payable upon redemption thereof in the manner contemplated in accordance with its terms pursuant to the provisions of this Resolution.

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

“Reimbursement Obligations” has the meaning set forth in the related Reimbursement Agreement.

“Remarketing Agent” means RBC Capital Markets, LLC 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.

“Revenues” means (i) such Pledged Property (as defined in the SFMRB Resolution) released or transferred or applied from the SFMRB Resolution pursuant to its terms and (ii) other legally available funds of the Authority, in each case, to be transferred or caused to be transferred pursuant to Authority Request and deposited into the General Receipts Fund for the 2025 Series 1 General Obligation Bonds.

“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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds and which is selected by the Authority.

“Security Arrangement” means an unconditional and irrevocable obligation of the Authority which (i) qualifies as a Cash Equivalent, (ii) guarantees certain payments into the Capital Reserve Fund with respect to the 2025 Series 1 General Obligation Bonds as provided therein and subject to the limitations set forth therein, and (iii) is not subject to cancellation unless such cancellation would not cause the then-existing rating(s) on the 2025 Series 1 General Obligation Bonds to be lowered or withdrawn.

“Serial Bonds” means the 2025 Series 1 General Obligation Bonds, if any, which are authorized as Serial Bonds pursuant to Section 203 hereof.

“SFMRB Resolution” means 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.

“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.

“Sinking Fund Requirement” means, as of any particular date of calculation, with respect to the Term Bonds of any series and maturity, the amount of money required to be applied on any applicable date to the redemption prior to maturity or the purchase of the Term Bonds, except as such requirement shall have been previously reduced by the principal amount of any Term Bonds of such series and maturity with respect to which such Sinking Fund Requirement is payable which have been purchased or redeemed (except out of Sinking Fund Requirements). Sinking Fund Requirements may be established as fixed dollar amounts or as method(s) of calculation thereof.

“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 2025 Series 1 General Obligation Bonds pursuant to Section 203(b)(iii) hereof.

“Stepped Rate” shall mean the rate or rates of interest applicable with respect to any 2025 Series 1 General Obligation Bonds should insufficient funds be available to purchase such 2025 Series 1 General Obligation Bonds in connection with a mandatory tender at the end of a Variable Rate Period during which such 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds to a Variable Rate Period or with the continuation of a Variable Rate Period with respect to such 2025 Series 1 General Obligation Bonds. If no Stepped Rate was specified in the Pricing Notice relating to the expiring Variable Rate Period for such 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds. The Stepped Rate or Rates calculated on any Stepped Rate Determination Date shall apply to 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds to a Variable Rate Period or with the continuation of a Variable Rate Period with respect to such 2025 Series 1 General Obligation Bonds as provided herein. If no Stepped Rate Index is specified in the Pricing Notice relating to the expiring Variable Rate Period for such 2025 Series 1 General Obligation Bonds, the Stepped Rate Index shall be the SIFMA Index.

“Super Sinker Bonds” means the 2025 Series 1 General Obligation Bonds, if any, which are designated as Super Sinker Bonds in the Purchase Contract.

“Supplemental Resolution” means a resolution adopted by the Authority pursuant to Article XIV of this Resolution, which amends or supplements this Resolution as provided for in Article XIV.

“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, (ii) guarantees certain payments into the Capital Reserve Fund with respect to the 2025 Series 1 General Obligation Bonds as provided therein and subject to the limitations set forth therein, and (iii) is not subject to cancellation.

“Term Bonds” means the 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bond established in accordance with Section 302(d).

“Term Rate Bonds” means the 2025 Series 1 General Obligation Bonds during the time such 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 Business Day immediately prior thereto, in each case, plus the SOFR Adjustment for such interest period. 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) “SOFR Adjustment” with respect to Term SOFR means (A) 0.11448% for an interest period of one month and (B) 0.26161% for an interest period of three months, as the case may be.

(iv) “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)

(v) “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 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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.

“Trustee” means U.S. Bank Trust Company, National Association, or any successor trustee appointed pursuant to the provisions hereof.

“Underwriter” means, collectively, RBC Capital Markets, LLC, and such other underwriters as may be named in the Purchase Contract.

“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 2025 Series 1 General Obligation Bonds.

“Variable Rate Bonds” means the 2025 Series 1 General Obligation Bonds during the time such 2025 Series 1 General Obligation Bonds bear interest at a Variable Rate.

“Variable Rate Conversion Date” means each day on which all or any portion of 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds did not bear interest at the same Variable Rate.

“Variable Rate Period” means each period during which 2025 Series 1 General Obligation Bonds bear interest at a specific Variable Rate.

“Weekly Rate” means the interest rate to be determined for 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds bear interest at a Weekly Rate.

## **ARTICLE II AUTHORIZATION OF 2025 SERIES 1 GENERAL OBLIGATION BONDS**

**201. Principal Amount, Designation and Series.** The 2025 Series 1 General Obligation Bonds are hereby authorized to be issued and sold, pursuant to the provisions of this Resolution in an aggregate original principal amount of not to exceed \$80,000,000, as established pursuant to Section 203 hereof. Such bonds shall be designated as “Single-Family General Obligation Bonds, 2025 Series 1 (Federally Taxable)”.

**202. Purposes.** The purposes for which the 2025 Series 1 General Obligation Bonds are being issued are (i) the financing and purchasing of Mortgage Loans, including payment of certain Mortgage Loan origination costs; (ii) if applicable, the making of a deposit to a Capital Reserve Fund (as provided for in the Act), securing the 2025 Series 1 General Obligation Bonds, except in each case to the extent the Authority obtains and pledges to the Capital Reserve Fund Letter(s) of Credit, Security Arrangement(s) 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 or otherwise financing and purchasing Down Payment Assistance Loans; and (iv) paying the costs of issuance of the 2025 Series 1 General Obligation Bonds, to the extent provided for in the Purchase Contract.

**203. Interest Rates, Principal Amounts and Maturity Dates.** (a) The 2025 Series 1 General Obligation Bonds shall be dated and shall be issued on or before May 31, 2025, as approved by an Authorized Representative. The 2025 Series 1 General Obligation Bonds shall be issued as interest bearing bonds and not as capital appreciation bonds. All of the 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds initially 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 for the respective 2025 Series 1 General Obligation Bonds, commencing December 1, 2025.

(b) Subject to the further provisions of Article III hereof, each 2025 Series 1 General Obligation Bond shall bear interest and be payable as to interest as follows:

(i) Each 2025 Series 1 General Obligation 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, the interest due on any 2025 Series 1 General Obligation Bond on any Interest Payment Date shall be paid to the Holder of such 2025 Series 1 General Obligation 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 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds bearing interest at the rate effective during the Daily, Weekly, Term, Index or Fixed Rates 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds shall be as approved by an Authorized Representative, subject to the limitations of this 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 2025 Series 1 General Obligation Bonds, and with respect to the compensation to be paid to the Underwriter (if any), the purchase price of the 2025 Series 1 General Obligation Bonds and certain other matters, the Authorized Representative making such determinations shall be limited as follows:

(i) The rate of interest on any 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds shall not be more than 1.00% of the original aggregate principal amount of the 2025 Series 1 General Obligation Bonds;

(iii) The final maturity of the 2025 Series 1 General Obligation Bonds shall not be later than June 1, 2058;

(iv) The maximum amount of scheduled principal payments (adjusted for any previously scheduled Sinking Fund Requirements) and Sinking Fund Requirements due with respect to the 2025 Series 1 General Obligation Bonds on any June 1 or December 1, shall not exceed Fifteen Million Dollars (\$15,000,000); and

(v) The Authority shall not sell the 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds to Flexible Rates or a Fixed Rate pursuant to Sections 303 or 304 hereof.

**204. Denominations, Numbers and Letters.** (a) The 2025 Series 1 General Obligation Bonds shall be issued as fully-registered bonds in the Authorized Denominations set forth in subsection (b) below. The 2025 Series 1 General Obligation Bonds, including any subseries thereof, shall be lettered and numbered as determined by an Authorized Representative. In connection with any Conversion Date, the Authority may determine that the 2025 Series 1 General Obligation 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 Resolution, unless the context requires otherwise, include 2025 Series 1 General Obligation Bonds as redesignated pursuant to this Section 204.

(b) The 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds required or permitted to be outstanding in a denomination permitted above, 2025 Series 1 General Obligation Bonds may be delivered, to the extent necessary, in different denominations. If the interest rate on the 2025 Series 1 General Obligation Bonds is automatically Converted to a Weekly Rate, as provided in 302(a)(ii) hereof, 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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.** (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 2025 Series 1 General Obligation Bonds prior to the notice of optional redemption being sent by the Trustee, and (ii) any such notice of optional redemption of any 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds that were subject to the notice of redemption shall remain Outstanding.

**206. Sale of 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds as of the first day of such Fiscal Year. The fees to be paid in respect of the Initial Credit/Liquidity Facility shall be paid pursuant to the provisions of the Liquidity Facility or Initial Reimbursement Agreement, or related fee letter or fee agreement.

**208. Authentication of 2025 Series 1 General Obligation Bonds.** Only such of the definitive 2025 Series 1 General Obligation Bonds as shall have endorsed thereon a certificate of authentication substantially in the form set forth in this Resolution, duly executed by the Trustee, shall be entitled to any benefit or security under this Resolution. No definitive 2025 Series 1 General Obligation Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Trustee, and such certificate of the Trustee upon any such 2025 Series 1 General Obligation Bond shall be conclusive evidence that such 2025 Series 1 General Obligation Bond has been duly authenticated and delivered under this Resolution. The Trustee's certificate of authentication on any definitive 2025 Series 1 General Obligation Bond shall be deemed to have been duly executed if signed by an authorized representative of the Trustee, but it shall not be necessary that the same representative sign the certificate of authentication on all of the 2025 Series 1 General Obligation Bonds that may be issued hereunder at any one time.

**209. Exchange of 2025 Series 1 General Obligation Bonds.** Subject to, and in accordance with, Section 210 hereof, 2025 Series 1 General Obligation Bonds, upon surrender thereof at the corporate trust office of the Bond Registrar, together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as, shall be satisfactory to the Trustee, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of 2025 Series 1 General Obligation Bonds of like tenor and of the same series (and subseries, if applicable) and maturity, bearing interest at the same rate, of any denomination or denominations authorized by this Resolution.

The Authority shall make provisions for the exchange of 2025 Series 1 General Obligation Bonds at the corporate trust office of the applicable Bond Registrar.

**210. Negotiability, Registration and Registration of Transfer of 2025 Series 1 General Obligation Bonds.** The transfer of any 2025 Series 1 General Obligation Bond may be registered only upon the books kept for the registration of, and registration of transfers of, 2025 Series 1 General Obligation Bonds upon surrender thereof to the Bond Registrar together with an assignment duly executed by the registered owner or his attorney or legal representative in such

form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer of a Bond, the Authority shall execute and the Trustee shall authenticate and deliver in exchange for such 2025 Series 1 General Obligation Bond a new 2025 Series 1 General Obligation Bond or 2025 Series 1 General Obligation Bonds, registered in the name of the transferee, in any denomination or denominations authorized by this Resolution, in an aggregate principal amount equal to the principal amount of such 2025 Series 1 General Obligation Bond of like tenor and of the same Series (and subseries, if applicable) and maturity and bearing interest at the same rate.

In all cases in which 2025 Series 1 General Obligation Bonds shall be exchanged or 2025 Series 1 General Obligation Bonds shall be transferred hereunder by registration as aforesaid, the Authority shall execute and the Trustee shall authenticate and deliver at the earliest practicable time 2025 Series 1 General Obligation Bonds in accordance with the provisions of this Resolution. All 2025 Series 1 General Obligation Bonds surrendered in any exchange or registration of transfer shall forthwith be cancelled by the Trustee. The Authority or, at the direction of the Authority, the Trustee may make a charge for the expense incurred in every such exchange or registration of transfer of 2025 Series 1 General Obligation Bonds, including a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer. Neither the Authority nor the Trustee shall be required to make any such exchange or registration of transfer of 2025 Series 1 General Obligation Bonds during the fifteen (15) days immediately preceding an interest payment date on the 2025 Series 1 General Obligation Bonds, or, in the case of any proposed redemption of 2025 Series 1 General Obligation Bonds, immediately preceding the date of notice of such redemption, or after such 2025 Series 1 General Obligation Bonds or any portion thereof shall have been selected for redemption.

The Bond Registrar may record different registered owners with respect to the principal or Redemption Price of, and/or interest on a Bond.

**211. Ownership of 2025 Series 1 General Obligation Bonds.** As to any 2025 Series 1 General Obligation Bond, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes. Payment of or on account of the principal of and interest on any 2025 Series 1 General Obligation Bond of a series shall be made only to the registered owner(s) thereof with respect to such payment or his legal representative or assignee. All such payments shall be valid and effectual to satisfy and discharge the liability upon such 2025 Series 1 General Obligation Bond, including interest thereon, to the extent of the sum or sums so paid.

Any registered owner of any 2025 Series 1 General Obligation Bond is hereby granted power to transfer absolute title thereto by assignment thereof to a bona fide purchaser for value (present or antecedent) without notice of prior defenses or equities or claims of ownership enforceable against his assignor or any person on the chain of title and before the maturity of such 2025 Series 1 General Obligation Bond. Every prior owner of any 2025 Series 1 General Obligation Bond shall be deemed to have waived and renounced all of his equities or rights therein in favor of every such bona fide purchaser, and every such bona fide purchaser shall acquire absolute title thereto and to all rights represented thereby.



**212. Issuance of the 2025 Series 1 General Obligation Bonds.** The 2025 Series 1 General Obligation Bonds shall be executed substantially in the form and manner herein set forth and shall be deposited with the Trustee for authentication, but before the 2025 Series 1 General Obligation Bonds shall be authenticated and delivered by the Trustee, there shall be on file with the Trustee the following:

- (a) A copy, duly certified by an Authorized Representative, of this Resolution;
- (b) A Counsel's Opinion stating in the opinion of such counsel that this Resolution has been duly and lawfully adopted by the Authority, is in full force and effect and is valid and binding upon the Authority and enforceable in accordance with its terms;
- (c) A request and authorization to the Trustee on behalf of the Authority, signed by an Authorized Representative, to authenticate and deliver the 2025 Series 1 General Obligation Bonds to the purchaser or purchasers therein identified upon payment to the Trustee for the account of the Authority of the purchase price therefor.

When the documents mentioned in clauses (a) to (c), inclusive, of this Section shall have been filed with the Trustee and when the 2025 Series 1 General Obligation Bonds described in this Resolution have been executed and authenticated as required by this Resolution, the Trustee shall deliver such 2025 Series 1 General Obligation Bonds at one time to or upon the order of the purchaser or purchasers named in the request and authorization mentioned in this Section, but only upon payment to the Trustee of the purchase price of the 2025 Series 1 General Obligation Bonds. The Trustee shall be entitled to rely upon such request and authorization as to the amount of such purchase price.

Simultaneously with the delivery of the 2025 Series 1 General Obligation Bonds the Trustee shall deposit or credit the proceeds of the 2025 Series 1 General Obligation Bonds into the Bond Proceeds Fund, or otherwise pursuant to Authority Request.

**213. 2025 Series 1 General Obligation Bonds Mutilated, Destroyed, Stolen or Lost.** In case any 2025 Series 1 General Obligation Bond shall become mutilated or be destroyed, stolen or lost, the Authority shall execute and the Trustee shall authenticate and deliver a new 2025 Series 1 General Obligation Bond having the same maturity and principal amount as the 2025 Series 1 General Obligation Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated 2025 Series 1 General Obligation Bond or in lieu of and substitution for the 2025 Series 1 General Obligation Bond destroyed, stolen or lost, upon filing with the Authority and the Trustee evidence satisfactory to the Authority and the Trustee that such 2025 Series 1 General Obligation Bond has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Authority with indemnity satisfactory to it and complying with such provisions of law as may be applicable thereto and such other reasonable regulations as the Authority may prescribe and paying such expenses as the Authority may incur. All 2025 Series 1 General Obligation Bonds so surrendered to the Authority shall be cancelled by it.

**ARTICLE III**  
**INTEREST RATES ON 2025 SERIES 1 GENERAL OBLIGATION BONDS**

**301. Interest Rate; Subsequent Rates.** The 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds shall be automatically Converted to (or continue to bear interest at) a Weekly Rate; provided, further, that (i) if the 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 last Interest Payment Date in respect of the immediately preceding Rate Period or Rate Periods 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 2025 Series 1 General Obligation Bond, such Weekly Rate Period shall end on the stated maturity date of the 2025 Series 1 General Obligation 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 telephone or facsimile transmission (or electronic communication mutually acceptable to the parties) 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds by 5:00 p.m. New York City time, on the applicable Term Rate Computation Date. Upon a successful Conversion of any 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds, which notice shall state:

(A) in substance that a new Term Rate Period and Term Rate are to be established for such 2025 Series 1 General Obligation Bonds on the applicable Term Rate Conversion Date if the conditions specified in this 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) that a new Term Rate Period and Term Rate for such 2025 Series 1 General Obligation Bonds shall not be established unless all such 2025 Series 1 General

Obligation Bonds are successfully remarketed in the new Term Rate Period and at the new Term Rate on the first day thereof;

(D) the CUSIP numbers or other identification information of such 2025 Series 1 General Obligation Bonds;

(E) that all affected 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds are not supported by a Liquidity Facility, then the 2025 Series 1 General Obligation Bonds will be purchased only upon a successful remarketing at the new Term Rate) at the purchase price; and

(F) 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds; provided that, notwithstanding anything to the contrary herein, unless a Liquidity Facility is in effect with respect to such 2025 Series 1 General Obligation Bonds, such 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds to an Index Rate Period pursuant to Section 302 or upon a continuation of 2025 Series 1 General Obligation Bonds in an Index Rate Period, and until such 2025 Series 1 General Obligation Bonds are successfully converted to another Rate Period pursuant to this Article III, such 2025 Series 1 General Obligation Bonds shall bear interest at the Index Rate applicable to such 2025 Series 1 General Obligation Bonds, as calculated 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds and any alternative Index Rate Determination Dates shall be as specified in the Pricing Notice given with respect to the Conversion of 2025 Series 1 General Obligation Bonds to the Index Rate Period pursuant to this Article III or with respect to any new Index Rate and Index Rate Period for 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 calculation 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.

Neither the Trustee nor the Index Agent shall be under any obligation (i) to select or designate any alternative Index Rate Index or to determine whether any conditions to the designation of such a rate have been satisfied or (ii) to select, determine or designate any Applicable Spread or other modifier to any replacement or successor index. Neither the Trustee nor the Index Agent shall be liable for any inability, failure or delay on its part to perform any of its duties set forth in this Resolution as a result of the unavailability of any Index Rate Index and the absence of a designated replacement, including as a result of any inability, delay, error or inaccuracy on the part of any other transaction party, including without limitation the Authority, Remarketing Agent, SIFMA Determination Agent or Term SOFR Discontinuation Agent, in providing any direction, instruction, notice or information required or contemplated by the terms of this Resolution and reasonably required for the performance of such duties. Neither the Trustee nor the Index Agent shall be responsible or liable for the actions or omissions of the Authority, Remarketing Agent, SIFMA Determination Agent or Term SOFR Discontinuation Agent, or any failure or delay in the performance of its duties or obligations, nor shall they be under any obligation to oversee or monitor its performance; and each of the Trustee and Index Agent shall be entitled to rely conclusively upon, any determination made, and any instruction, notice, officer certificate, or other instrument or information provided, by the Remarketing Agent, SIFMA Determination Agent or Term SOFR Discontinuation Agent, without independent verification, investigation or inquiry of any kind by the Trustee or the Index Agent.

(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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds at the end of such Index Rate Period, (4) the proposed next Purchase Date, if any, (5) the Index Rate Index, if other than the Term SOFR 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 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) 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;

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

(E) 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 2025 Series 1 General Obligation Bonds are not supported by a Liquidity Facility, then the 2025 Series 1 General Obligation Bonds will be purchased only upon a successful remarketing at the new Index Rate) at the purchase price; and

(F) 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 2025 Series 1 General Obligation Bonds; provided that, notwithstanding anything to the contrary in this Resolution, unless a Liquidity Facility is in effect with respect to such 2025 Series 1 General Obligation Bonds, such 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds in the current Variable Rate Period could be optionally redeemed pursuant to Section 502.

(ii) If after the Conversion Date, the 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds to be Converted, and the Rate Periods from which 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds to be Converted. Such notice shall

state that such 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds to be Converted and the Rate Periods from which the 2025 Series 1 General Obligation Bonds shall be Converted. If only a portion of the 2025 Series 1 General Obligation Bonds bearing interest in any Rate Period is to be Converted, then the Trustee shall select the 2025 Series 1 General Obligation Bonds to be Converted from such Rate Periods specified in such notice. The Trustee shall give notice of Conversion to the Holders of the 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds which are to be Converted shall extend past the Conversion Date, and any 2025 Series 1 General Obligation Bond may bear interest at a Flexible Rate for a Flexible Rate Period different from any other 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds bearing interest at Flexible Rates required to be purchased on such date. In remarketing the 2025 Series 1 General Obligation Bonds, the Remarketing Agent shall offer and accept purchase commitments for the 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds during the time that the 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds can be achieved over the longer Flexible Rate Period; provided, further, that for each 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 an Interest Payment Date on which the 2025 Series 1 General Obligation Bonds in the current Variable Rate Period could be optionally redeemed pursuant to Section 502.

(ii) If after the Conversion Date the 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds to be Converted, and the Rate Periods from which the 2025 Series 1 General Obligation Bonds shall be Converted. If only a portion of the 2025 Series 1 General Obligation Bonds bearing interest in any Rate Period is to be Converted, then the Trustee shall select the 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds bearing interest at Variable Rates or Flexible Rates may be Converted to bear interest at Fixed Rates 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 2025 Series 1 General Obligation Bonds to the effect that the proposed Conversion will not adversely affect the then existing rating on the 2025 Series 1 General Obligation 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 an Interest Payment 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 2025 Series 1 General Obligation Bonds to be Converted, and the Rate Periods from which the 2025 Series 1 General Obligation Bonds to be Converted shall be selected by the Trustee and the revised schedule of maturities and Redemption Requirements, if any, for the 2025 Series 1 General Obligation Bonds to be Converted, as contemplated by Section 203(e).

(i) The Remarketing Agent shall determine the Fixed Rates for 2025 Series 1 General Obligation 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 2025 Series 1 General

Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds to have been Converted pursuant to Section 304(a)(ii) hereof, such 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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, as applicable, from the related Purchase Date of such Bank Bond until the principal amount of such Bank Bond is paid in full. Notwithstanding any other provision of this 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 this Resolution, including Section 302(c) hereof, in a Weekly Rate Period during which 2025 Series 1 General Obligation Bonds bear interest at the Stepped Rate, the rate of interest applicable to such 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds, no partial conversion of the 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds.

**ARTICLE IV**

**TENDER AND PURCHASE OF 2025 SERIES 1 GENERAL OBLIGATION 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 Daily or Weekly Rates 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 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 200 Vesey Street, 8th Floor, New York, New York 10281, or the address designated by any successor Remarketing Agent;

(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 telephone (promptly confirmed in writing), telegram, teletype, telex or other similar communication 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 and the Liquidity Facility Provider shall have received such proceeds.

(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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bond at a purchase price equal to 100% of the principal amount thereof. Payment shall be made upon presentation of such 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bond shall be established on the date of purchase of such 2025 Series 1 General Obligation Bond as hereinafter provided. The Holder of any 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bond and accrued interest upon tender thereof to the Trustee. During the Flexible Rate Period, the 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1

General Obligation Bonds, the Remarketing Agent shall offer and accept purchase commitments for the 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 (5<sup>th</sup>) 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds and shall specify the principal amount of 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bond(s));

(iv) the deliveries of 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bond bearing interest at a Flexible Rate fails to deliver such 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bond shall nevertheless be deemed purchased on the day fixed for purchase thereof and ownership of such 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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, 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds to be Converted will be subject to mandatory tender for purchase on the Conversion Date, (ii) if the 2025 Series 1 General Obligation Bonds are subject to such mandatory tender, the time at which 2025 Series 1 General Obligation Bonds are to be tendered for purchase and the requirements of such tender,

and (iii) if the 2025 Series 1 General Obligation Bonds are subject to such mandatory tender, the purchase price for the 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds. The terms of any sale by the Remarketing Agent shall provide for the payment of the purchase price of tendered 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds. The provisions of Section 401(e) hereof shall apply to tenders pursuant to this Section 403 with respect to 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 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 2025 Series 1 General Obligation 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 or (ii) the occurrence of a Mandatory Credit/Liquidity Tender, then the 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds, any accrued interest thereon to the Purchase Date. Any purchase of the 2025 Series 1 General Obligation 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, or (2) on or before the date the 2025 Series 1 General Obligation Bonds are purchased pursuant to the terms of the Liquidity Facility or following 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 2025 Series 1 General Obligation 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. Variable Rate Bonds and Flexible Rate Bonds that are Liquidity Facility Bonds or that are otherwise secured by a Credit Facility shall be subject to mandatory tender for purchase on the fifth (5<sup>th</sup>) 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds are Liquidity Facility Bonds, the Liquidity Facility shall terminate on the fifth (5<sup>th</sup>) Business Day following the Fixed Rate Conversion Date with respect to the 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds; provided, however, that 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds tendered for purchase on the Fixed Rate Conversion Date, in no event shall the Remarketing Agent sell any such 2025 Series 1 General Obligation Bond to any person unless the Remarketing Agent has advised such Person of the fact that, after the Fixed Rate Conversion Date, the 2025 Series 1 General Obligation Bonds will no longer be subject to tender at the option of the Holder. With respect to 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds bearing interest at Flexible Rates.

**405. Changes to Liquidity Facility Bonds or Non-Liquidity Remarketed Bonds.**

(a) Notwithstanding any other provision of this 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 Remarketed Bonds.**

(a) Except as set forth in 407(b), with respect to Non-Liquidity Remarketed Bonds bearing interest during a Variable Rate Period, if sufficient funds are not available for the purchase of all such Non-Liquidity 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 Remarketed Bonds shall bear interest at the Maximum Rate from the date of such failed purchase until all such 2025 Series 1 General Obligation Bonds are purchased as required in accordance with this Resolution, and all tendered Non-Liquidity Remarketed Bonds shall be returned to their respective Holders. Notwithstanding any other provision of this Resolution, such failed purchase and return shall not constitute an Event of Default hereunder. 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 Remarketed Bonds and such Non-Liquidity Remarketed Bonds shall remain subject to optional and mandatory redemption, mandatory tender for purchase, and Conversion as provided in this Resolution.

(b) For any Non-Liquidity Remarketed Bonds bearing interest during a Variable Rate Period, if sufficient funds are not available for the purchase of all such Non-Liquidity 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 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 Remarketed Bonds are purchased as required in accordance with this Resolution, such rate to be determined in accordance with Section 307 hereof, and all tendered Non-Liquidity Remarketed Bonds shall be returned to their respective Holders. Notwithstanding anything to the contrary in this Resolution, such Non-Liquidity 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 Resolution, such failed purchase and return shall not constitute an event of default. In addition, the Remarketing Agent shall remain obligated to remarket such Non-Liquidity Remarketed Bonds and such Non-Liquidity 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 2025 Series 1 General Obligation Bond issued hereunder may, at its option, notify the Trustee in writing that it is an Investment Company, or is holding 2025 Series 1 General Obligation Bonds on behalf of an Investment Company, and in such notice irrevocably elect to offer on the Purchase Date to have its 2025 Series 1 General Obligation Bonds purchased on the next date on which such 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 Resolution to the contrary notwithstanding, no tender of any 2025 Series 1 General Obligation Bond (or portion thereof) for purchase hereunder may result in a 2025 Series 1 General Obligation Bond being outstanding in other than an Authorized Denomination after the date to which such tender pertains.

**410. Moneys for Purchase Prices of 2025 Series 1 General Obligation Bonds Held Solely for Such Purchase Price.** Any other provision of this Resolution to the contrary notwithstanding, all moneys received by the Trustee to be used to pay the purchase price of 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 Resolution to the contrary notwithstanding, 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds at Par.** Any other provision of this Resolution to the contrary notwithstanding, all 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds of any one maturity are to be purchased or Converted pursuant to this Resolution, the particular 2025 Series 1 General Obligation Bond 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 2025 Series 1 General Obligation Bond Outstanding of the maturity to be purchased or Converted a distinctive number for each unit of the principal amount of such 2025 Series 1 General Obligation Bond equal to the applicable Authorized Denomination of the 2025 Series 1 General Obligation 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 2025 Series 1 General

Obligation Bonds then Outstanding as many numbers as, at the unit amount equal to the 2025 Series 1 General Obligation Bonds for each number, shall equal the principal amount of such 2025 Series 1 General Obligation Bonds to be purchased or Converted. The 2025 Series 1 General Obligation Bonds to be purchased or Converted shall be the 2025 Series 1 General Obligation Bonds to which were assigned numbers so selected; provided, however, that only so much of the principal amount of each such 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds for purchase or Conversion there is more than one Rate Period applicable to such 2025 Series 1 General Obligation Bonds, such 2025 Series 1 General Obligation Bonds shall be selected, using the foregoing procedures, on a reasonably proportionate basis from 2025 Series 1 General Obligation Bonds in all then applicable Rate Periods. For the purposes of this Section 413, 2025 Series 1 General Obligation Bonds which have theretofore been selected by lot for purchase or Conversion and 2025 Series 1 General Obligation Bonds registered in the name of the Authority shall not be deemed Outstanding.

## **ARTICLE V REDEMPTION AND DEFEASANCE OF 2025 SERIES 1 GENERAL OBLIGATION BONDS**

**501. Redemption Requirements.** The 2025 Series 1 General Obligation Bonds shall be subject to mandatory redemption in part on June 1 and December 1 (provided, however, that if any 2025 Series 1 General Obligation Bonds bear interest at a Flexible Rate and such June 1 or December 1 is not an Interest Payment Date, such 2025 Series 1 General Obligation 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 and to adjustments, if any, set forth, in the Purchase Contract). Except as otherwise provided in the Purchase Contract, if 2025 Series 1 General Obligation Bonds are in more than one Rate Period on the date that the 2025 Series 1 General Obligation Bonds are subject to a Redemption Requirement, the Trustee shall select the 2025 Series 1 General Obligation Bonds for such redemption on a pro rata basis for each Rate Period subject to appropriate adjustments for Authorized Denominations.

**502. Optional Redemption.** The 2025 Series 1 General Obligation 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) 2025 Series 1 General Obligation 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) 2025 Series 1 General Obligation 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) 2025 Series 1 General Obligation 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) 2025 Series 1 General Obligation 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) 2025 Series 1 General Obligation 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 (10<sup>th</sup>) anniversary of the Conversion Date relating to such 2025 Series 1 General Obligation Bonds at a Redemption Price equal to 100% of the principal amount of such 2025 Series 1 General Obligation 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.

(f) The 2025 Series 1 General Obligation Bonds to be redeemed pursuant to this Section 502 shall be selected from the eligible outstanding maturities of 2025 Series 1 General Obligation Bonds on such basis as shall be determined by the Authority, subject to Section 504 hereof.

(g) Subject to Section 803 hereof, on the date so designated for redemption, any required notice which has not been waived having been given in the manner and under the conditions hereinabove provided, the 2025 Series 1 General Obligation Bonds or portions of 2025 Series 1 General Obligation Bonds so called for redemption shall become and be due and payable at the Redemption Price provided for redemption of such 2025 Series 1 General Obligation Bonds or portions thereof on such date, and, if sufficient money or Government Obligations (the principal of and interest on which will provide sufficient money for payment of the Redemption Price and the accrued interest) are held by the Trustee in trust for the owners of the 2025 Series 1 General Obligation Bonds or portions thereof to be redeemed, as provided in this Resolution, such 2025 Series 1 General Obligation Bonds or portions thereof shall cease to be Outstanding under the provisions of this Resolution, interest on the 2025 Series 1 General Obligation Bonds or portions of 2025 Series 1 General Obligation Bonds so called for redemption shall cease to accrue, such 2025 Series 1 General Obligation Bonds or portions of

2025 Series 1 General Obligation Bonds shall cease to be entitled to any benefit or security under this Resolution and the owners of such 2025 Series 1 General Obligation Bonds or portions of, 2025 Series 1 General Obligation Bonds shall have no rights in respect thereof, except to receive payment of the Redemption Price thereof and the accrued interest thereon to the date of redemption and, to the extent provided in Section 502(h) of this Article, to receive 2025 Series 1 General Obligation Bonds for any unredeemed portion of 2025 Series 1 General Obligation Bonds.

(h) In case part but not all of an Outstanding 2025 Series 1 General Obligation Bond shall be selected for redemption, the owner thereof or his attorney or legal representative shall present and surrender such 2025 Series 1 General Obligation Bond (with, if the Authority or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Authority and the Trustee duly executed by the owner thereof or his attorney or legal representative) to the Trustee for payment of the principal amount thereof so called for redemption, and the Authority shall execute and the Trustee shall authenticate and deliver to or upon the order of such owner or his legal representative, without charge therefor, for the unredeemed portion of the principal amount of the 2025 Series 1 General Obligation Bond so surrendered, a new 2025 Series 1 General Obligation Bond, at the option of such owner or his attorney or legal representative, of any denomination or denominations authorized by this Resolution, of the same maturity and Series (and subseries, if applicable) and bearing interest at the same rate and otherwise of like tenor.

**503. Mandatory Redemption of Bank Bonds.** Bank Bonds shall be subject to mandatory redemption and shall be so redeemed by the Authority in such principal amounts and on such dates determined as provided in the Liquidity Facility or Reimbursement Agreement, as applicable.

**504. Selection of 2025 Series 1 General Obligation Bonds for Redemption.** Notwithstanding any provisions of this Resolution to the contrary, the Bank Bonds shall always be subject to redemption and shall be selected first for any redemption by the Trustee.

**505. Defeasance.** If, when the 2025 Series 1 General Obligation Bonds secured hereby shall have become due and payable in accordance with their terms or otherwise as provided in this Resolution, or shall have been duly-called for redemption or irrevocable instructions to call the 2025 Series 1 General Obligation Bonds for redemption shall have been given by the Authority to the Trustee and (a) the whole amount of the principal of, Redemption Price, and the interest on all of such 2025 Series 1 General Obligation Bonds shall be paid, or (b) the Trustee shall hold money or Government Obligations or shall hold money and Government Obligations, sufficient to pay the principal of, Redemption Price, and interest on all Outstanding 2025 Series 1 General Obligation Bonds on their respective interest payment, stated maturity or prescribed redemption dates, provided that such Government Obligations shall be in such amount that the principal of and the interest on such Government Obligations so held by the Trustee, when due and payable, will provide sufficient money which, with any and all other money held by the Trustee for such purpose under the provisions of this Resolution, shall be sufficient to pay such principal of, Redemption Price, and the interest on such 2025 Series 1 General Obligation Bonds and, if sufficient funds shall also have been provided for paying all other obligations payable under this Resolution by the Authority, then and in that case the right, title and interest of the



Trustee under this Resolution shall thereupon cease, terminate and become void, and the Trustee in such case, on demand of the Authority, shall release this Resolution and shall release the security, and shall execute such documents to evidence such release as may be reasonably required by the Authority, and shall turn over to the Authority or to such officer, board, or body as may then be entitled to receive the same, all the remaining property held by the Trustee under this Resolution.

Otherwise, this Resolution shall be, continue and remain in full force and effect; provided, however, that in the event money or Government Obligations shall be deposited with and held by the Trustee as hereinabove provided, applicable provisions of this Resolution, particularly those pertaining to the payment of the principal and Redemption Price of, or interest on the 2025 Series 1 General Obligation Bonds issued under this Resolution and other obligations payable hereunder by the Authority, shall be continued in force until such 2025 Series 1 General Obligation Bonds and other obligations have been fully paid. All money and Government Obligations held by the Trustee pursuant to this Section shall be held in trust exclusively for and applied to the payment, when due, of the 2025 Series 1 General Obligation Bonds payable therewith.

## **ARTICLE VI REQUIREMENTS AND FUNDS**

**601. Capital Reserve Fund Requirement.** (a) The Capital Reserve Fund Requirement with respect to the 2025 Series 1 General Obligation Bonds is hereby determined to be an amount equal to the maximum amount of principal and estimated interest maturing and becoming due in a succeeding calendar year on the 2025 Series 1 General Obligation Bonds. The deposits to the Capital Reserve Fund made and to be made pursuant to this 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, Security Arrangement(s) and/or Surety Bond(s), which Letter(s) of Credit or a portion thereof shall be exclusively available to be drawn on and which Security Arrangement(s) or 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, Security Arrangement(s) and/or Surety Bond(s) or a portion thereof shall be withdrawn by the Trustee and deposited in the Bond Proceeds Fund for application pursuant to the terms of this Resolution. 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 a Security Arrangement(s) 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 Security Arrangement(s) 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 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 Security Arrangement(s) or 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. Deposits into Funds; Transfer and/or Pledge of Mortgage Loans and Down Payment Assistance Loans.**

(a) The proceeds of the 2025 Series 1 General Obligation 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 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 2025 Series 1 General Obligation Bonds (or the highest rating of short-term obligations if the investment is a short-term obligation) by the Rating Agency. Proceeds of the 2025 Series 1 General Obligation Bonds in an amount sufficient to satisfy the Capital Reserve Fund Requirement relating to the 2025 Series 1 General Obligation 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 Security Arrangement(s) 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 2025 Series 1 General Obligation Bond proceeds shall be promptly withdrawn by the Trustee and paid to the Authority for deposit in the Bond Proceeds Fund for application pursuant to the terms of this Resolution.

(b) Promptly following the purchase of Mortgage Loans and Down Payment Assistance Loans, as applicable with proceeds of the 2025 Series 1 General Obligation Bonds, the Authority shall transfer to the SFMRB Resolution or shall otherwise cause such Mortgage Loans and Down Payment Assistance Loans to secure the bonds issued under the SFMRB Resolution, and such Mortgage Loans and Down Payment Assistance Loans shall not be pledged under this Resolution and shall not secure the 2025 Series 1 General Obligation Bonds. Any proceeds of the 2025 Series 1 General Obligation Bonds deposited in the Down Payment Assistance Fund shall not be pledged under this Resolution and shall not secure the 2025 Series 1 General Obligation Bonds.

(c) All moneys representing accrued interest on the 2025 Series 1 General Obligation Bonds, if any, shall be deposited to the credit of the General Receipts Fund (to be applied to the payment of interest on the 2025 Series 1 General Obligation Bonds on the first applicable interest payment date).

**603. Single-Family Mortgage Loan Program Determinations.** Each newly originated Mortgage Loan shall have the following terms, conditions, provisions and limitations:

(a) The promissory note for each Mortgage Loan must be payable or endorsed to the Authority, and such 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 Mortgage Loan and (iv) have a servicer that tracks servicing of such Mortgage Loan pursuant to a written agreement with the Authority relating thereto;

(b) Each 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 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 Mortgage Loan, and (iii) shall either have approximately equal monthly payments for each rate of interest borne by such Mortgage Loan, or at the option of the Authority, shall have monthly payments that increase on a predetermined basis over the life of such Mortgage Loan;

(c) Each 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 Mortgage Loan;

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

(e) (1) Each 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 Mortgage Loan in an amount which, when combined with the down payment applicable to such 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 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 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 SFMRB 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 SFMRB Resolution or otherwise; or

(B) provides additional reserves, insurance, sureties or cash equivalents as security or makes other covenants regarding the bonds issued pursuant to the SFMRB Resolution; 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 bonds issued pursuant to the SFMRB Resolution for purposes of the Program;

(f) The 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; and

(g) A Mortgage Loan may be used for the purchase of a residence or both the purchase and rehabilitation of a residence.

**604. Down Payment Assistance Fund.**

(a) Proceeds of the 2025 Series 1 General Obligation Bonds that are deposited in the Down Payment Assistance Fund shall be used as provided in the SFMRB Resolution.

(b) Amounts on deposit in the Down Payment Assistance Fund received by the Authority in connection with the issuance of the 2025 Series 1 General Obligation Bonds, if any, shall be used, upon Authority Request, to finance Down Payment Assistance Loans. No amounts on deposit in the Down Payment Assistance Fund shall be used to finance Mortgage Loans. Each Down Payment Assistance Loan shall have the following terms, conditions, provisions and limitations:

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

(ii) Each 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 Down Payment Assistance Loan must be payable or endorsed to the Authority and the Down Payment Assistance Loan must be originated in the name of the Authority or be assigned to the Authority;

(iv) Each Down Payment Assistance Loan shall be in a principal amount not to exceed fifteen thousand dollars (\$15,000); and

(v) Each 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 Down Payment Assistance Loan relates, (B) the maturity date thereof or (C) the date of payment in full of the related Mortgage Loan.

**605. Purchase Fund.** (a) There is hereby created and established for the 2025 Series 1 General Obligation 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 security for the 2025 Series 1 General Obligation Bonds and shall not be subject to the lien of this Resolution. Upon receipt of the proceeds of a remarketing or an advance under a Liquidity Facility to pay the purchase price of 2025 Series 1 General Obligation 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

2025 Series 1 General Obligation Bonds upon receipt of such 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds shall be held for the account of the previous Holder of the remarketed 2025 Series 1 General Obligation Bonds, including the Liquidity Facility Provider if such 2025 Series 1 General Obligation 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.

**606. 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 each of the following has occurred: (i) there is no Credit Facility or Alternate Credit Facility in effect, (ii) all amounts owing to the Credit Provider under the Reimbursement Agreement (including, without limitation, all Reimbursement Obligations) 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 607(c) hereof and shall be applied to pay principal of and interest on the 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds not covered by the Credit Facility or 2025 Series 1 General Obligation Bonds owned by, or on behalf of, the Authority.

(c) 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 2025 Series 1 General Obligation 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. 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 2025 Series 1 General Obligation Bonds subject to such Credit Facility on each Principal Payment Date for such 2025 Series 1 General Obligation Bonds (or other date upon which principal of such 2025 Series 1 General Obligation Bonds is due) and Interest Payment Date for such 2025 Series 1 General Obligation Bonds, provided that such moneys shall not be used to pay the principal of or interest on 2025 Series 1 General Obligation Bonds not covered by the Credit Facility or 2025 Series 1 General Obligation Bonds owned by, or on behalf of, the Authority.

## ARTICLE VII FORMS, EXECUTION AND DELIVERY OF 2025 SERIES 1 GENERAL OBLIGATION BONDS

**701. Forms of 2025 Series 1 General Obligation Bonds.** The form of the 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds.** (a) The 2025 Series 1 General Obligation 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 case any officer whose signature or a facsimile of whose signature shall appear on any 2025 Series 1 General Obligation Bonds shall cease to be such officer before the delivery of such 2025 Series 1 General Obligation Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery, and also any 2025 Series 1 General Obligation Bond may bear the facsimile signature of or may be signed by such persons as at the actual time of the execution of such 2025 Series 1 General Obligation Bond shall be the proper officers to sign such 2025 Series 1 General Obligation Bond although at the date of such 2025 Series 1 General Obligation Bond such persons may not have been such officers. The 2025 Series 1 General Obligation Bonds shall be

authenticated by the manual signature of an authorized signer of the Trustee. Both the principal of and the interest on the 2025 Series 1 General Obligation Bonds shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. The principal of all 2025 Series 1 General Obligation Bonds shall be payable only to the registered owner or his legal representative at the corporate trust office of the Trustee except with respect to 2025 Series 1 General Obligation Bonds which are in book-entry form, and payment of the interest on each 2025 Series 1 General Obligation Bond shall be made by the Trustee on each interest payment date to the person appearing on the registration books of the Authority hereinafter provided for as the registered owner thereof or to the designee of such registered owner; by check mailed to the registered owner to the address as it appears on such registration books or to any designee, to the address of such designee. The Trustee, in connection with a letter of credit, a tender option feature, a standby bond purchase agreement, or other similar liquidity arrangements may pay, in whole or in part, the principal or Redemption Price of and/or interest on a 2025 Series 1 General Obligation Bond to a person other than the registered owner (or his designee). The Trustee may enter into an agreement or agreements with or for the benefit of any registered owner for the payment of principal of or interest on 2025 Series 1 General Obligation Bonds in a manner or in a place different from that set forth in this paragraph. Except with respect to 2025 Series 1 General Obligation Bonds which are in book-entry form, payment of the principal of all 2025 Series 1 General Obligation Bonds shall be made upon the presentation and surrender of such 2025 Series 1 General Obligation Bonds as the same shall become due and payable. Payment of principal on 2025 Series 1 General Obligation Bonds in book-entry form shall be made pursuant to procedures established or referred to in this Resolution or the 2025 Series 1 General Obligation Bonds.

(b) The 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bond (a “2025 Series 1 General Obligation Bond”) for each maturity of 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds shall be in the form of the 2025 Series 1 General Obligation 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, 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds;

(ii) the delivery to any Agent Member, beneficial owner of the 2025 Series 1 General Obligation Bonds or other person, other than the Securities Depository, of any notice with respect to the 2025 Series 1 General Obligation Bonds;

(iii) the payment to any Agent Member, beneficial owner of the 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds;

(iv) any consent given by Cede & Co. as Bondholder of the 2025 Series 1 General Obligation Bonds or any successor nominee of a Securities Depository as Bondholder of such 2025 Series 1 General Obligation Bonds; or

(v) the selection by the Securities Depository or any Agent Member of any beneficial owners to receive payment if any 2025 Series 1 General Obligation Bonds are redeemed in part.

So long as the certificates for the 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds for all purposes whatsoever, including without limitation:

(1) the payment of principal, premium, if any, and interest on such 2025 Series 1 General Obligation Bond;

(2) giving notices of redemption and other matters with respect to such 2025 Series 1 General Obligation Bond; and

(3) registering transfers with respect to such 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds as provided in subsection (d) below. In addition, the Authority may determine at any time that the 2025 Series



1 General Obligation 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 2025 Series 1 General Obligation Bonds. In any such event the Authority shall execute and the Trustee shall authenticate and deliver certificates representing the 2025 Series 1 General Obligation Bonds as provided in subsection (d) below.

(d) Certificates for the 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds to the persons in whose names such 2025 Series 1 General Obligation Bonds are so registered as soon as practicable.

**704. Conflict With Representation Letter.** Notwithstanding any other provision of this Resolution to the contrary, so long as any 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bond, and all notices with respect to such 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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, 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 Resolution confers upon or gives or grants to a Liquidity Facility Provider any right, remedy or claim under or by reason of this 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 the 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 2025 Series 1 General Obligation 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 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 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 the Rating Agency, if any, then maintaining a rating on the 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds then in place.

(e) Any other provisions of this 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 one or more of the standby bond purchase agreements previously entered into by the Authority in connection with the execution and delivery or remarketing of a 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 2025 Series 1 General Obligation Bonds, if earlier).

(f) Any Authorized Representative hereby is authorized to obtain any extension or amendment to any Liquidity Facility, upon terms substantially similar to one or more of the standby bond purchase agreements previously entered into by the Authority in connection with the execution and delivery of a series of bonds, in respect of 2025 Series 1 General Obligation Bonds bearing interest at a Variable Rate, and to execute and deliver the same.

### **803. Credit Facility.**

(a) The 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 2025 Series 1 General Obligation Bonds when due on any Principal Payment Date; and (2) interest on the 2025 Series 1 General Obligation 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, 2025 Series 1 General Obligation Bonds owned by, or on behalf of, the Authority or 2025 Series 1 General Obligation Bonds bearing interest at a Fixed Rate.

(d) If at any time there shall cease to be any 2025 Series 1 General Obligation 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, 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 Resolution confers upon or gives or grants to the Credit Provider any right, remedy or claim under or by reason of this 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds shall remain Outstanding for all purposes under this Resolution, not be defeased or otherwise satisfied and not be considered paid by the Authority and the full faith and credit pledge of the Authority as provided for in this Resolution and all covenants, agreements and other obligations of the Authority to the Bondholders of 2025 Series 1 General Obligation Bonds and rights of the Bondholders of 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds to enforce the payment of the 2025 Series 1 General Obligation Bonds from the Revenues and all other rights of the Bondholders of 2025 Series 1 General Obligation Bonds under the 2025 Series 1 General Obligation Bonds and this Resolution. The applicable Credit Provider shall be so subrogated without the necessity of possessing any of such 2025 Series 1 General Obligation Bonds or producing the same in any trial or other proceeding related to the enforcement of its rights in respect thereof and the Authority shall treat the applicable Credit Provider as an "Owner" hereunder. Such subrogation rights granted to the applicable Credit Provider herein are not intended to be exclusive of any other remedy or remedies available to the applicable Credit Provider.

(h) Any Authorized Representative hereby is authorized to obtain any extension or amendment to any Credit Facility, upon terms substantially similar to one or more of the direct pay letters of credit previously entered into by the Authority in connection with the execution

and delivery of a series of bonds, in respect of 2025 Series 1 General Obligation Bonds bearing interest at a Variable Rate, and to execute and deliver the same.

**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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds not less than fifteen (15) days prior to the effective date of delivery of the Alternate Credit Facility, stating that the 2025 Series 1 General Obligation 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 the Rating Agency, if any, maintaining a rating on the 2025 Series 1 General Obligation Bonds evidencing the rating of the 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 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 Resolution and that such change will not adversely affect the validity of the 2025 Series 1 General Obligation 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 the Rating Agency, if any, then maintaining a rating on the 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds then in place.

Any other provisions of this Resolution to the contrary notwithstanding, each Alternate Credit Facility delivered to the Trustee in accordance with this Section 804 (i) must be in substantially the form of the Initial Credit Facility or a direct pay letter of credit entered into by the Authority in connection with any 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 2025 Series 1 General Obligation 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 the Remarketing Agent 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 2025 Series 1 General Obligation 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 Resolution and the Remarketing Agreement. The Remarketing Agent may at any time resign and be discharged of the duties and obligations created by this 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 2025 Series 1 General Obligation Bonds after which there are no longer any 2025 Series 1 General Obligation Bonds Outstanding bearing interest at a Variable Rate or Flexible Rate, an agreement in substantially the form of the Remarketing Agreement or one or more of the remarketing agreements previously entered into by the Authority 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 2025 Series 1 General Obligation 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 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 extension or amendment to the Remarketing Agreement or any subsequent Remarketing Agreement, upon terms substantially similar to one or more of the remarketing agreements previously entered into by the Authority, in respect of 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds bearing interest at Variable Rates or Flexible Rates.

## **ARTICLE X CONCERNING THE TRUSTEE**

**1001. Acceptance of Trust.** U.S. Bank Trust Company, National Association, is appointed as the initial Trustee for the 2025 Series 1 General Obligation Bonds, until such time as an Authorized Representative selects and appoints a replacement trustee. The Trustee shall signify its acceptance of the duties and obligations and agrees to execute the trusts imposed upon it by this Resolution by executing the certificate of authentication endorsed upon the 2025 Series 1 General Obligation Bonds, but only upon the terms and conditions set forth in this Article and subject to the provisions of this Resolution, to all of which the parties hereto and the respective owners of the 2025 Series 1 General Obligation Bonds agree.

**1002. Trustee Entitled to Indemnity.** The Trustee shall be under no obligation to institute any suit, or to take any remedial proceeding under this Resolution, or to enter any appearance or in any way defend in any suit in which it may be named as a defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability; the Trustee may, nevertheless, begin suit, or appear in and defend suit, do anything else in its judgment proper to be done by it as such Trustee, without indemnity, and in such case the Authority, to the extent permitted by law, shall reimburse the Trustee for all costs and expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith from funds released from the SFMRB Resolution pursuant to its terms or from other Revenues.

**1003. Limitation on Obligations and Responsibilities of Trustee.** The Trustee shall be under no obligation (a) to effect or maintain insurance or to renew any policies of insurance or to inquire as to the sufficiency of any policies of insurance carried by the Authority, (b) to report, or make or file claims or proof of loss for, any loss or damage insured against or which may occur, or (c) to keep itself informed or advised as to the payment of any taxes or assessments, or to require any such payment to be made. The Trustee shall be under no obligation to record or file this Resolution, or any other security instruments and financing statements, or continuation statements with respect thereto, except pursuant to directions from the Authority, in form and substance satisfactory to the Trustee, set forth in an Authority Request. The Trustee shall have no responsibility in respect of the validity, sufficiency, due execution or acknowledgment by the Authority of this Resolution, or, except as to the authentication thereof, in respect of the validity of the 2025 Series 1 General Obligation Bonds or the due execution or issuance thereof. The Trustee shall be under no Obligation to see that any duties herein imposed upon the Authority or any party other than itself, or any covenants herein contained on the part of any party other than itself to be performed, shall be done or performed, and the Trustee shall be under no obligation for failure to see that any such duties or covenants are so done or performed.

**1004. Trustee Not Liable for Failure of Authority to Act.** The Trustee shall not be liable or responsible because of the failure of the Authority or of any of its employees or agents to make any collections or deposits or to perform any act herein required of the Authority or, except as provided in Section 1112, because of the loss of any moneys arising through the insolvency or the act or default or omission of any other depository in which such moneys shall have been deposited under the provisions of this Resolution. The Trustee shall not be responsible for the application of any of the proceeds of the 2025 Series 1 General Obligation Bonds or any other moneys deposited with it and paid out, withdrawn or transferred hereunder if such application, payment, withdrawal or transfer shall be made in accordance with the provisions of this Resolution. The immunities and exemptions from liability of the Trustee hereunder shall extend to its directors, officers, employees and agents.

**1005. Compensation and Indemnification of Trustee.** Subject to the provisions of any contract between the Authority and the Trustee relating to the compensation of the Trustee, the Authority shall pay to the Trustee reasonable compensation for all services performed by it hereunder and also all its reasonable expenses, charges and other disbursements and those of its attorneys, agents and employees incurred in and about the administration and execution of the trusts hereby created and the performance of its powers and duties hereunder, and shall, to the extent permitted by law, indemnify and save the Trustee harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder from funds released from the SFMRB Resolution pursuant to its terms or from other Revenues.

**1006. Monthly Statements from Trustee.** It shall be the duty of the Trustee, on or before the 10th day of each month, to file with the Authority a statement setting forth in respect of the preceding calendar month:

(a) the amount withdrawn or transferred by it and the amount deposited within or to the account of each Fund and Account held by it under the provisions of this Resolution,



(b) the amount on deposit with it at the end of such month to the credit of each such Fund and Account,

(c) a brief description of all obligations held by it as an investment of moneys in each such Fund and Account,

(d) the amount applied to the purchase or redemption of 2025 Series 1 General Obligation Bonds and a description of the 2025 Series 1 General Obligation Bonds or portions of 2025 Series 1 General Obligation Bonds so purchased or redeemed, and

(e) any other information which the Authority may reasonably request.

All records and files pertaining to the trusts hereunder in the custody of the Trustee shall be open at all reasonable times to the inspection of the Authority and its agents and representatives.

**1007. Trustee May Rely on Certificates.** In case at any time it shall be necessary or desirable for the Trustee to make any investigation respecting any fact preparatory to taking or not taking any action or doing or not doing anything as such Trustee, and in any case in which this Resolution provides for permitting or taking any action, the Trustee may rely conclusively upon any certificate, requisitions, opinion or other instrument required or permitted to be filed with it under the provisions of this Resolution, and any such instrument shall be conclusive evidence of such fact to protect the Trustee in any action that it may or may not take or in respect of anything it may or may do, in good faith, by reason of the supposed existence of such fact. Except as otherwise provided in this Resolution, any request, notice, certificate or other instrument from the Authority to the Trustee shall be deemed to have been signed by the proper party or parties if signed by an Authorized Representative, and the Trustee may accept and rely upon a certificate signed by an Authorized Representative as to any action taken by the Authority.

**1008. Notice of Default.** Except upon the happening of any Event of Default specified in clauses (a) and (b) of Section 1102 of this Resolution, the Trustee shall not be obliged to take notice or be deemed to have notice of any Event of Default, unless specifically notified in writing of such Event of Default by the Authority or by the owners of not less than twenty-five percent (25%) in aggregate principal amount of the 2025 Series 1 General Obligation Bonds hereby secured and then Outstanding.

**1009. Trustee May Deal in 2025 Series 1 General Obligation Bonds.** The bank or trust company acting as Trustee under this Resolution, and its directors, officers, employees or agents, may in good faith buy, sell, own, hold and deal in any of the 2025 Series 1 General Obligation Bonds issued under and secured by this Resolution, may join in any action which any Bondowner may be entitled to take with like effect as if such bank or trust company were not the Trustee under this Resolution, may engage or be interested in any financial or other transaction with the Authority, and may maintain any and all other general banking and, business relations with the Authority with like effect and in the same manner as if the Trustee were not a party to this Resolution, and no implied covenant shall be read into this Resolution against the Trustee in respect of such matters.

**1010. Trustee Not Responsible for Recitals.** The recitals, statements and representations contained herein and in the 2025 Series 1 General Obligation Bonds (excluding the Trustee's certificate of authentication on the 2025 Series 1 General Obligation Bonds) 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.

**1011. Trustee Protected in Relying on Certain Documents.** The Trustee shall be protected and shall incur no liabilities in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Resolution, upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond or other paper or document which it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or person to have been prepared and furnished pursuant to any of the provisions of this Resolution, or upon the written opinion of any attorney, engineer or accountant believed by the Trustee to be qualified in relation to the subject matter, and the Trustee shall be under no duty to make any investigation or inquiry as to any statement contained or matters referred to in such instrument. The Trustee shall not be under any obligation to see to the recording or filing of this Resolution.

**1012. Resignation and Removal of Trustee Subject to Appointment of Successor.** No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 1016.

**1013. Resignation of Trustee.** The Trustee may resign and thereby become discharged from the trusts hereby created, by notice in writing to be given to the Authority and mailed, first class postage prepaid, to all registered owners of 2025 Series 1 General Obligation Bonds at their addresses as they appear on the registration books kept by the Bond Registrar(s), not less than sixty (60) days before such resignation is to take effect, but such resignation shall take effect immediately upon the appointment of a new Trustee hereunder, if such new Trustee shall be appointed before the time limited by such notice and shall then accept the trusts hereof.

**1014. Removal of Trustee.** The Trustee shall be removed by the Authority if at any time so requested by an instrument or concurrent instruments in writing, filed with the Trustee and the Authority, and signed by the Owners of a majority in principal amount of the 2025 Series 1 General Obligation Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any 2025 Series 1 General Obligation Bonds held by or for the account of the Authority. The Authority may remove the Trustee at any time, except during the existence of an Event of Default as defined in Section 1102 hereof, for such cause as shall be determined in the sole discretion of the Authority by filing with the Trustee an instrument signed by an Authorized Representative.

**1015. Appointment of Successor Trustee.** If at any time hereafter the Trustee shall resign, be removed, be dissolved or otherwise become incapable of acting, or the bank or trust company acting as Trustee shall be taken over by any governmental official, agency, department or board, the position of Trustee shall thereupon become vacant. If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, the Authority shall cause notice of such vacancy to be mailed, first class postage prepaid, to all registered owners of 2025

Series 1 General Obligation Bonds at their addresses as they appear on the registration. books kept by the Bond Registrar(s).

At any time within one year after any such vacancy shall have occurred, the owners of a majority in principal amount of the 2025 Series 1 General Obligation Bonds hereby secured and then Outstanding, by an instrument or concurrent instruments in writing, executed by such Bondowners and filed with the Authority, may appoint a successor Trustee, which shall supersede any Trustee theretofore appointed by the Authority. Facsimile copies of each such instrument shall be delivered promptly by the Authority to the predecessor Trustee and to the Trustee so appointed by the Bondowners.

If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within ten (10) days after the vacancy shall have occurred, the Owner of any 2025 Series 1 General Obligation Bond Outstanding hereunder or any retiring Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribed, appoint a successor Trustee.

Any Trustee hereafter appointed shall be a bank or trust company duly authorized to exercise corporate trust powers and to administer its duties as Trustee hereunder as required by any applicable state or federal laws, including those of the State, and subject to examination by Federal or State authority, of good standing, and having at the time of its appointment (i) a combined capital and surplus aggregate not less than Seventy-Five Million Dollars (\$75,000,000) as shown on its most recently published report of its financial condition, or (ii) Five Hundred Million Dollars (\$500,000,000) of trust assets.

**1016. Vesting of Trusts in Successor Trustee.** Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Authority, an instrument in writing accepting such appointment hereunder, and thereupon such successor Trustee, without any further act, shall become fully vested with all the rights, immunities, powers and trusts, and subject to all the duties and obligations, of its predecessor; but such predecessor shall, nevertheless, on the written request of its successor or of the Authority, and upon payment of the expenses, charges and other disbursements such predecessor which are payable pursuant to the provision of Section 1005 of this Article, execute and deliver an instrument transferring to such successor Trustee all the rights, immunities, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all property and moneys held by it hereunder to its successor. Should any instrument in writing from the Authority be required by any successor Trustee for more fully and certainly vesting in such Trustee the rights, immunities, powers and trusts hereby vested or intended to be vested in the predecessor Trustee, any such instrument in writing shall and will, on request, be executed, acknowledged and delivered by the Authority.

Notwithstanding any of the foregoing provisions of this Article, any bank or trust company having power to perform the duties and execute the trusts of this Resolution and otherwise qualified to act as Trustee hereunder with or into which the bank or trust company acting as Trustee may be merged, converted or consolidated, or to which the assets and business of such bank or trust company may be sold, shall be deemed the successor of the Trustee.

**1017. Trustee to Exercise Powers of Statutory Trustee.** The Trustee shall be and hereby is vested with all of the rights, powers and duties of a Trustee appointed by Bondowners pursuant to Section 35 of the Act and the right of Bondowners to appoint a Trustee pursuant to Section 35 of the Act is hereby abrogated in accordance with the provisions of paragraph (i) of Section 27 of the Act.

**1018. No Implied Duty; Standard of Care.** The Trustee shall have no duty or obligation except as expressly provided herein and no implied duties or obligations shall be read into this Resolution against the Trustee. The Trustee shall not incur any liability for any act or omission in performing its duties hereunder, except in the case of its own negligence or willful misconduct.

## **ARTICLE XI EVENTS OF DEFAULT AND REMEDIES**

**1101. Extended Interest Payment.** Neither the Trustee nor the Authority shall consent or agree directly or indirectly to extend the time for payment of the interest on any Bond. In case the time for the payment of the interest of any 2025 Series 1 General Obligation Bond shall be extended, whether or not such extension be by or with the consent of the Authority, such interest so extended shall not be entitled in case of default hereunder to the benefit or security of this Resolution except subject to the prior payment in full of the principal of all 2025 Series 1 General Obligation Bonds then Outstanding and of all interest the time for the payment of which shall not have been extended.

**1102. Events of Default Defined.** Each of the following events is hereby declared an “Event of Default”, that is to say: If

(a) payment of the principal or Redemption Price of any of the 2025 Series 1 General Obligation Bonds shall not be made when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or

(b) payment of any installment of interest on any of the 2025 Series 1 General Obligation Bonds shall not be made when the same shall become due and payable; or

(c) a decree or order for relief is entered by a court having jurisdiction in the premises in respect of the Authority in an involuntary case under the Federal bankruptcy laws, as now or hereafter constituted, or any other applicable Federal or State bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Authority or for any substantial part of its property, or ordering the winding up or liquidation of its affairs and the continuance of any such decree or order unstayed and in effect for the period of 60 consecutive days; or

(d) the Authority commences a voluntary case under the Federal bankruptcy laws, as now constituted or hereafter amended, or any other applicable Federal or State bankruptcy, insolvency or other similar law, or the Authority consents to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of the Authority or for any substantial part of its property, or the Authority makes any

assignment for the benefit of creditors, or the Authority takes any actions in furtherance of any of the foregoing; or

(e) the Authority fails to pay, when due or within any applicable grace period, any amount owing on account of general obligation indebtedness for money borrowed or for deferred purchases of property, or the Authority fails to observe or perform any covenant or undertaking on its part to be observed or performed in any agreement evidencing, securing or relating to such indebtedness, resulting, in any such case, in an event of default or acceleration by the holder of such indebtedness of the date on which such indebtedness would otherwise be due and payable;

(f) the Authority defaults in the due and punctual performance of any other covenants or agreements contained in the 2025 Series 1 General Obligation Bonds or in this Resolution and such default continues for 90 days after written notice requiring the same to be remedied shall have been given to the Authority by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the owners of not less than twenty-five percent (25%) in aggregate principal amount of 2025 Series 1 General Obligation Bonds then Outstanding; provided, however, that so long as following such notice the Authority is diligently taking actions to remedy such default, such default shall not be an Event of Default; or

(g) the Authority fails to comply with the provisions of Section 32 of the Act.

**1103. Acceleration of Maturity.** Upon the happening and continuance of any Event of Default the Trustee may and, subject to Section 1002 hereof, upon the written direction of the owners of not less than fifty-one percent (51%) in aggregate principal amounts of the 2025 Series 1 General Obligation Bonds then Outstanding shall, by notice in writing to the Authority, declare the principal of all the 2025 Series 1 General Obligation Bonds then Outstanding (if not then due and payable) to be due and payable immediately; and upon such declaration shall become immediately due and payable, anything contained in the 2025 Series 1 General Obligation Bonds or in this Resolution to the contrary notwithstanding; provided, however, that if at any time after the principal of the 2025 Series 1 General Obligation Bonds shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Resolution, money shall have accumulated in the Debt Service Fund sufficient to pay the principal of all payable 2025 Series 1 General Obligation Bonds and all arrears of interest, if any, upon all the 2025 Series 1 General Obligation Bonds then Outstanding (except the principal and interest of any 2025 Series 1 General Obligation Bonds which have become due and payable by reason of such declaration and except the principal of any 2025 Series 1 General Obligation Bonds not then due and payable by their terms and the interest accrued on such 2025 Series 1 General Obligation Bonds since the last interest payment date); and the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee and the Authority and all other amounts then payable by the Authority hereunder shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee, and every other default known to the Trustee in the observance or performance of any covenant, condition or agreement or provision contained in the 2025 Series 1 General Obligation Bonds or in this Resolution (except a default in the payment of the principal of such 2025 Series 1 General Obligation Bonds then due and payable only because of a declaration under this Section) shall have been remedied to the satisfaction of the Trustee, then and in every such case

the Trustee may, and upon the written request of the owners of not less than fifty-one percent (51%) in aggregate principal amount of the 2025 Series 1 General Obligation Bonds not then due and payable by their terms and then Outstanding shall, by written notice to the Authority, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

**1104. Enforcement of Remedies.** Upon the happening and continuance of any Event of Default specified in Section 1102 of this Article, then and in every such case the Trustee may, and upon the written direction of the owners of not less than twenty-five percent (25%) in aggregate principal amount of the 2025 Series 1 General Obligation Bonds then Outstanding hereunder shall, proceed, subject to the provisions of Section 1002 hereof, to protect and enforce its rights and the rights of the Bondowners under applicable laws or under this Resolution by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights.

In the enforcement of any remedy under this Resolution the Trustee shall be entitled to sue for, enforce payment of and recover judgment for, in its own name as Trustee of an express trust, any and all amounts then or after any default becoming, and at any time remaining, due from the Authority for principal, premium, if any, interest or otherwise under any of the provisions of this Resolution or the 2025 Series 1 General Obligation Bonds and unpaid, with, to the extent permitted by applicable law, interest on overdue payments of principal at the rate or rates of interest specified in the 2025 Series 1 General Obligation Bonds, together with any and all costs and expenses of collection and of all proceedings hereunder and under the 2025 Series 1 General Obligation Bonds, without prejudice to any other right or remedy of the Trustee or of the Bondowners, and to recover and enforce any judgment or decree against the Authority, but solely as provided herein and in the 2025 Series 1 General Obligation Bonds, for, any portion of such amounts remaining unpaid and interest, costs and expenses as above provided, and to collect, in any manner provided by law, the money adjudged or decreed to be payable.

Regardless of the happening of an Event of Default, the Trustee may, and, subject to Section 1002 hereof, if requested in writing by the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the 2025 Series 1 General Obligation Bonds then Outstanding, shall institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient (i) to prevent any impairment of the security for the 2025 Series 1 General Obligation Bonds by any acts which may be unlawful or in violation of this Resolution, or (ii) to preserve or protect the interest of the Bondowners, provided that such request is in accordance with law and the provisions of this Resolution and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of the owners of 2025 Series 1 General Obligation Bonds not making such request.

**1105. Trustee May File Claim In Bankruptcy.** In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition, or other similar judicial proceeding relative to the Authority or to property of the Authority or the creditors of the Authority, the Trustee (irrespective of whether the principal of

the 2025 Series 1 General Obligation Bonds shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Authority for the payments, equal to overdue principal or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

(i) to file and prove a claim for the whole amount of the principal, and premium, if any, and interest owing and unpaid in respect of the 2025 Series 1 General Obligation Bonds and to file such other papers, or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and of the Bondowners allowed in such judicial proceeding; and

(ii) to collect and receive any money, or other property payable or deliverable on any such claims and to distribute the same;

and any receiver, assignee, trustee, liquidator, sequestrator (or other similar official) in any such judicial proceeding is hereby authorized by each Bondowner to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Bondowners, to pay to the Trustee any amount due to them for the reasonable compensation, expenses, disbursements and advances of the Trustee, their agents and counsel, any other amounts due the Trustee under Sections 1002 and 1005 hereof.

**1106. Pro Rata Application of Funds.** Anything in this Resolution to the contrary notwithstanding, if at any time the money in the Funds and Accounts maintained hereunder shall not be sufficient to pay the principal of or interest on the 2025 Series 1 General Obligation Bonds as the same shall become due and payable (either by their terms or by acceleration of maturities under the provisions of Section 1103 of this Article) such money, together with any money then available, or thereafter becoming available for such purpose whether through the exercise of the remedies provided for in this Article or otherwise, shall be applied, following the satisfaction of any payments due to the Trustee under the provisions of Section 1002 and 1005 of this Resolution, as follows:

(a) If the principal of all the 2025 Series 1 General Obligation Bonds shall not have become or shall not have been declared due and payable, all such money shall be applied:

first: to the payment to the persons entitled thereto of all installments of interest on 2025 Series 1 General Obligation Bonds (except interest on overdue principal) then accrued and unpaid in the chronological order in which such installments of interest accrued and, if the amount available shall not be sufficient to pay in full any particular daily installment, then to the payment, ratably, according to the amounts due on such daily installment, to the persons entitled thereto as owners of 2025 Series 1 General Obligation Bonds, without any discrimination or preference except as to any difference in the respective rates of interest specified in the 2025 Series 1 General Obligation Bonds;

second: to the payment to the persons entitled thereto of the unpaid principal of any of the 2025 Series 1 General Obligation Bonds which shall have become due and payable (except 2025 Series 1 General Obligation Bonds called for redemption for the

payment of which, money is held pursuant to the provisions of this Resolution) in the order of their stated payment dates, with interest on the principal amount of such 2025 Series 1 General Obligation Bonds at the respective rates specified therein from the respective dates upon which such 2025 Series 1 General Obligation Bonds became due and payable, and, if the amount available shall not be sufficient to pay in full the principal of the 2025 Series 1 General Obligation Bonds by their stated terms due and payable on any particular date, together with such interest, then to the payment first of such interest, ratably, according to the amount of such interest due on such date, with such payment being made to owners of 2025 Series 1 General Obligation Bonds, and then to the payment of such principal, ratably, according to the amount of such principal due on such date, to the persons entitled thereto as owners of 2025 Series 1 General Obligation Bonds, without any discrimination or preference except as to any difference in the respective rates of interest specified in the 2025 Series 1 General Obligation Bonds; and

third: to the payment of the interest on and the principal of the 2025 Series 1 General Obligation Bonds, to the purchase and retirement of 2025 Series 1 General Obligation Bonds and to the redemption of the 2025 Series 1 General Obligation Bonds, all in accordance with the provisions this Resolution.

(b) If the principal of all the 2025 Series 1 General Obligation Bonds shall have become or shall have been declared due and payable, all such money shall be applied to the payment of the principal and premium, if any, and interest then accrued and unpaid upon the 2025 Series 1 General Obligation Bonds, without preference or priority of principal over interest or of interest over principal, or of any daily accrual of interest over any other daily accrual of interest, or of any 2025 Series 1 General Obligation Bond over any other 2025 Series 1 General Obligation Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to the respective rates of interest specified in the 2025 Series 1 General Obligation Bonds.

(c) If the principal of all the 2025 Series 1 General Obligation Bonds shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled under the provisions of Section 1103 hereof, then, subject to the provisions of subsection (b) of this Section 1106 in the event that the principal of all the 2025 Series 1 General Obligation Bonds shall later become or be declared due and payable, the money remaining in and thereafter accruing to the Debt Service Fund and the Capital Reserve Fund, together with any other money held by the Trustee hereunder, shall be applied in accordance with the provisions of subsection (a) of this Section 1106.

The provisions of subsections (a), (b) and (c) of this Section 1106 are in all respects subject to the provisions of Section 1101 hereof.

Whenever money is to be applied by the Trustee pursuant to the provisions of this Section 1106, such money shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard to the amount of such money available for application and the likelihood of additional money becoming available for such application in the future; the deposit of such money with any paying agent, or otherwise setting aside such money, in trust for the proper purpose shall constitute proper application by



the Trustee; and the Trustee shall incur no liability whatsoever to the Authority, to any Bondowner or to any other person for any delay in applying any such money, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of this Resolution as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such money, it shall fix the date (which shall be an interest payment date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date, and shall not be required to make payment to the owner of any 2025 Series 1 General Obligation Bond until such 2025 Series 1 General Obligation Bond shall be surrendered to the Trustee for appropriate endorsement, or for cancellation if fully paid.

**1107. Effect of Discontinuance of Proceedings.** In case any proceeding taken by the Trustee or Bondowners on account of any default shall have been discontinued or abandoned for any reason, then and in every such case the Authority, the Trustee and the Bondowners shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no proceeding had been taken.

**1108. Owners of Majority in Principal Amount of 2025 Series 1 General Obligation Bonds May Control Proceedings.** Anything in this Resolution to the contrary notwithstanding, the owners of a majority in principal amount of the 2025 Series 1 General Obligation Bonds then Outstanding hereunder shall have the right, subject to the provisions of Section 1002 hereof, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder or exercising, any trust or power conferred upon the Trustee, provided that such direction shall not be otherwise than in accordance with law and the provisions of this Resolution, and the Act and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of Bondowners not joining in such direction and provided, further, that nothing in this Section 1108 shall impair the right of the Trustee in its discretion to take any other action under this Resolution which it may deem proper and which is not inconsistent with such direction by Bondowners.

**1109. Restrictions Upon Actions by Individual Bondowner.** No owner of any of the 2025 Series 1 General Obligation Bonds shall have any right to institute any suit, action or proceeding in equity or at law on any 2025 Series 1 General Obligation Bond or for the execution of any trust hereunder or for the enforcement of any remedy hereunder unless such owner previously shall have given to the Trustee written notice of the Event of Default on account of which such suit, action or proceeding is to be instituted, and unless also the owners of not less than fifteen percent (15%) in aggregate principal amount of the 2025 Series 1 General Obligation Bonds then Outstanding shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers hereinabove granted or to institute such action, suit or proceeding in its or their name, and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification,

request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Resolution or to any other remedy hereunder; provided, however, that notwithstanding the foregoing provisions of this Section 1109 and without complying therewith, the owners of not less than twenty-five percent (25%) in aggregate principal amount of the 2025 Series 1 General Obligation Bonds then Outstanding may institute any such suit, action or proceeding in their own names for the benefit of all owners of 2025 Series 1 General Obligation Bonds hereunder. It is understood and intended that, except as otherwise above provided, no one or more owners of the 2025 Series 1 General Obligation Bonds hereby secured shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Resolution, or to enforce any right hereunder except in the manner herein provided, that all suits, actions and proceedings at law or in equity shall be instituted, had and maintained in the manner herein, provided and for the benefit of all owners of such Outstanding 2025 Series 1 General Obligation Bonds, and that any individual right of action or other right given to one or more of such owners by law is restricted by this Resolution to the rights and remedies herein provided.

**1110. Actions by Trustee.** All rights of action under this Resolution or under any of the 2025 Series 1 General Obligation Bonds secured hereby, enforceable by the Trustee, may be enforced by it without the possession of any of the 2025 Series 1 General Obligation Bonds or the production thereof in the trial or other proceeding relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the benefit of all of the owners of such 2025 Series 1 General Obligation Bonds, subject to the provisions of this Resolution.

Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bondowners under this Resolution, the Trustee shall be entitled as a matter of right to the appointment of a receiver or receivers of the security for the 2025 Series 1 General Obligation Bonds, pending such proceedings with such powers as the court making such appointment shall confer whether or not any such amounts payable shall be deemed sufficient ultimately to satisfy the 2025 Series 1 General Obligation Bonds Outstanding hereunder.

**1111. Security for Deposits.** Any and all money held by the Trustee in any Account or Fund created under this Resolution, except as otherwise expressly provided in this Resolution, shall be held in trust, shall be applied only in accordance with provisions of this Resolution and shall not be subject to any lien, charge or attachment by any creditor of the Authority other than the Owners of the 2025 Series 1 General Obligation Bonds, the Liquidity Facility Provider and the Credit Provider.

All money deposited with the Trustee pursuant to this Resolution shall be credited to the particular Fund or Account to which such money belongs.

**1112. Investment of Moneys.** Moneys deposited hereunder shall, as nearly as is practicable, be fully and continuously invested or reinvested by the Trustee upon the direction of an Authorized Representative (promptly confirmed by delivery of an Authority Request) in Investment Obligations which shall be in such amounts and bear interest at such rates with the objective that sufficient money will be available to pay the interest due on the 2025 Series 1 General Obligation Bonds and shall mature, or which shall be subject to redemption by the holder at the option of the holder, with the objective that sufficient money will be available for the purposes intended in accordance herewith.

Any Investment Obligations so purchased in any Fund or Account shall be deemed at all times to be part of such Fund or Account. Any interest paid on the investment in any Fund or Account shall be credited to the General Receipts Fund and thereafter treated as Revenues. Any profit or loss resulting from such investment shall be credited to or charged against the Fund or Account. The Trustee shall sell or present for redemption any obligations so purchased whenever it shall be necessary so to do in order to provide money to meet any payment or transfer from any such Fund or Account. Neither the Trustee nor the Authority shall be liable or responsible for any loss resulting from any such investment.

For the purposes of making any investment hereunder, the Trustee may consolidate moneys in any Fund or Account with moneys in any other Fund or Account and may transfer an interest in an investment from one Fund or Account to another without liquidating the investment.

In computing the amount on deposit to the credit of any Fund or Account, obligations in which money in such Fund or Account shall have been invested shall be valued at Amortized Value plus the amount of interest on such obligations purchased with moneys in such Fund or Account.

**1113. No Remedy Exclusive.** No remedy herein conferred upon or reserved to the Trustee or to the Owners of the 2025 Series 1 General Obligation Bonds is intended to be exclusive of any other remedy of remedies herein provided, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or by law.

**1114. No Delay or Omission Construed to be a Waiver.** No delay or omission of the Trustee or of any Owner of the 2025 Series 1 General Obligation Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Resolution to the trustee and to the Owners of the 2025 Series 1 General Obligation Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

**1115. Waiver of Defaults.** The Trustee, upon written direction of the owners of not less than a majority in aggregate principal amount of the 2025 Series 1 General Obligation Bonds then Outstanding shall, waive any default, which in their opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by them under the provisions of this Resolution or before the completion of the enforcement of any other remedy under this Resolution, but no such waiver shall extend to or affect any other

existing or any subsequent default or defaults or impair any rights or remedies consequent thereon.

**1116. Notice of an Event of Default.** The Trustee shall mail to the Authority and to all Bondowners, written notice of the occurrence of any Event of Default set forth in Section 1102 of this Article within thirty (30) days after the Trustee shall have received written notice thereof from the Authority, subject to the provisions of Section 1108 of this Resolution, that any such Event of Default shall have occurred. The Trustee shall not, however, be subject to any liability to any Bondowner by reason of a failure to mail any such notice.

**1117. Right to Enforce Payment of 2025 Series 1 General Obligation Bonds Unimpaired.** Except as otherwise limited by the provisions of this Resolution, nothing in this Article shall affect or impair the right of any Bondowner to enforce the payment of the principal of and interest on their 2025 Series 1 General Obligation Bond, or obligation of the Authority to pay the principal of and interest on each 2025 Series 1 General Obligation Bond to the Owner thereof at the time and place in such 2025 Series 1 General Obligation Bond expressed.

**1118. Consent of the Credit Provider; Action at Direction of the Credit Provider.** Notwithstanding any other provision of this Resolution to the contrary, in the event that the 2025 Series 1 General Obligation Bonds are supported by the Credit Provider pursuant to a Credit Facility, the Credit Provider shall have the sole right to exercise or direct all remedies granted under this Article XI and to grant any waivers pursuant to this Resolution. The Trustee, in its exercise of the rights afforded to Bondholders set forth herein, in the event that the 2025 Series 1 General Obligation Bonds are supported by the Credit Provider pursuant to the Credit Facility, shall be subject to the written direction of the Credit Provider. In the event that the 2025 Series 1 General Obligation Bonds are supported by the Credit Provider pursuant to a Credit Facility, the Credit Provider shall be treated as the sole holder of all 2025 Series 1 General Obligation Bonds supported by the Credit Provider pursuant to the Credit Facility, for purposes of exercising any voting right or privilege or obtaining directions, consents, waivers or other actions from the holders of such 2025 Series 1 General Obligation Bonds so secured by the Credit Provider pursuant to the Credit Facility. Any action otherwise requiring consent of the Bondholders supported by the Credit Facility may be taken with the consent of the Credit Provider in lieu of the consent of such Bondholders.

If a Credit Facility is in effect, the prior written consent of the Credit Provider shall be required (a) for the initiation by Bondowners of any action to be undertaken by the Trustee at the Bondowners' request, which under this Resolution requires the written approval or consent of or can be initiated by Bondowners; (b) for the purposes of consents and directing actions hereunder; and (c) waivers of Events of Default. If a Credit Facility is in effect, the Trustee shall, upon the written direction of the Credit Provider, take any action available to the Trustee hereunder.

Unless otherwise provided in this Section 1118, the granting of the Credit Facility Provider's consent shall be in lieu of Bondholder consent, whenever this Resolution otherwise requires Bondholder consent.

**ARTICLE XII**  
**APPLICATION OF REVENUES AND OTHER MONEYS**

**1201. Establishment of Funds and Accounts.** The following Funds are hereby created and designated as set forth below:

Bond Proceeds Fund;

General Receipts Fund;

Debt Service Fund;

Redemption Fund; and

Capital Reserve Fund

Additional Funds and Accounts may be created at the request of an Authorized Representative. The designation of each such Fund and Account shall include the term “Michigan State Housing Development Authority, Single-Family General Obligation Bonds, 2025 Series 1” which term shall precede the designation as set forth above. The Funds which are hereby created are, however, sometimes referred to herein as set forth above. Each such Fund and Account shall be held by the Trustee, in trust, separate and apart from all other funds of the Authority, for the purposes provided in this Resolution.

**1202. Bond Proceeds Fund.** Upon the issuance of the 2025 Series 1 General Obligation Bonds, the Trustee shall deposit amounts received in connection with the issuance and sale of such 2025 Series 1 General Obligation Bonds into the Bond Proceeds Fund and thereupon apply such proceeds to the payment of Costs of Issuance, the funding of the Capital Reserve Fund (if applicable), the funding of any other Funds or Accounts which may be established, the financing of Mortgage Loans and Down Payment Assistance Loans (which shall not secure the 2025 Series 1 General Obligation Bonds and which shall be transferred to the SFMRB Resolution as set forth herein), or the redemption of Outstanding 2025 Series 1 General Obligation Bonds at the times and in the amounts set forth herein or in the Purchase Contract. Amounts deposited in the Bond Proceeds Fund shall be applied to the financing of Mortgage Loans or Down Payment Assistance Loans, or transferred, upon Authority Request, pursuant to such request.

**1203. General Receipts Fund; Application of Revenues.**

(a) The Authority shall promptly transfer or cause the transfer of all Revenues to the Trustee pursuant to the terms of an Authority Request. All Revenues shall be deposited in the General Receipts Fund as received by the Trustee, and the Authority shall ensure sufficient Revenues are released, transferred or applied from the SFMRB Resolution in accordance with the terms thereof or otherwise made available from unrestricted funds of the Authority for deposit into the General Receipts Fund sufficiently in advance for the Authority to meet its obligations under this Resolution.

(b) No later than 30 days prior to each Interest Payment Date, or sooner pursuant to an Authority Request, the Authority shall ensure the deposit of sufficient Revenues into the General Receipts Fund, necessary for the Trustee to make the transfers provided for in subsection (d) below, subject to the limitations herein.

(c) At any time, upon Authority Request, the Trustee shall apply amounts in the General Receipts Fund to pay for accrued interest in connection with the Trustee's purchase of Investment Obligations for deposit in any Fund or Account maintained hereunder and to pay accrued interest with respect to the financing of Mortgage Loans and Down Payment Assistance Loans.

(d) The Trustee shall transfer all Revenues in the General Receipts Fund to the credit of the following Funds and Accounts for application to the following purposes on or prior to each debt service payment date in the following priority, as follows:

(1) To the Debt Service Fund, to pay interest and principal due on such debt service payment date on the 2025 Series 1 General Obligation Bonds and to pay any fees in connection with tender option features, a Liquidity Facility, and other forms of liquidity related to such 2025 Series 1 General Obligation Bonds;

(2) To the payment of the amount of Expenses specified in the Authority Request;

(3) To the credit of the Capital Reserve Fund, an amount sufficient to cause the amount on deposit in such Fund to equal the Capital Reserve Fund Requirement; and

(4) To the credit of the Capital Reserve Capital Account such amount as shall be required to replenish amounts previously withdrawn therefrom for the purpose of making up deficiencies in the Capital Reserve Fund.

(e) After the foregoing transfers have been made, the balance of the moneys in the General Receipts Fund shall be transferred or applied by the Trustee at any time, upon Authority Request to the following Funds or purposes:

(1) To the credit of the Redemption Fund for the redemption or purchase of 2025 Series 1 General Obligation Bonds;

(2) To the credit of the Bond Proceeds Fund for the financing of Mortgage Loans and Down Payment Assistance Loans; or

(3) To the Authority, for any other purpose authorized or required under the Act free and clear of the pledge and lien of this Resolution.

(f) Revenues in the General Receipts Fund shall be applied to the purchase of 2025 Series 1 General Obligation Bonds at the times, in the manner and for the purposes set forth in Section 1204(c) hereof.

#### **1204. Debt Service Fund.**

(a) Interest Payments. The Trustee shall on each interest payment date, withdraw from the Debt Service Fund, and remit (i) to each owner of 2025 Series 1 General Obligation Bonds the amounts required for paying the interest on such 2025 Series 1 General Obligation Bonds as such interest becomes due and payable and (ii) any liquidity fees relating to such 2025 Series 1 General Obligation Bonds as described in Section 1203(d)(2). An Authorized Representative of the Authority shall advise the Trustee regarding the amount of any such liquidity fees and when payment is due.

(b) Principal and Sinking Fund Redemption Payments. The Trustee shall, on each principal payment date or date established for redemption pursuant to a Sinking Fund Requirement, set aside in the Debt Service Fund the amounts required for paying the principal or satisfying the Sinking Fund Requirements of all 2025 Series 1 General Obligation Bonds as such principal or Sinking Fund Requirements become due and payable and such amounts shall be applied to the payment of principal or the satisfaction of Sinking Fund Requirements in accordance with the requirements of this Resolution.

(c) Sinking Fund Redemption. Amounts on deposit in the General Receipts Fund prior to being deposited to the Debt Service Fund in satisfaction of Sinking Fund Requirements may be applied as applicable to the purchase of Term Bonds of each series then Outstanding subject to Sinking Fund Requirements on the next date such payments are scheduled as provided in this paragraph. The Trustee, upon direction of an Authorized Representative, shall endeavor to purchase Term Bonds or portions of Term Bonds of each series to be redeemed pursuant to Sinking Fund Requirements for Term Bonds of such series then Outstanding at a price not to exceed the Redemption Price (plus accrued interest to the date of redemption) which would be payable on the next redemption date to the Owners of such Term Bonds under the provisions of this Resolution if such Term Bonds or portions of Term Bonds should be called for redemption on such date. Provided, however, that, subject to applicable law, notwithstanding the maximum purchase price set forth in the preceding sentence, if at any time the investment earnings on the moneys in the General Receipts Fund equal to the Sinking Fund Requirements for the next date such payments are scheduled shall be less than the interest accruing on the Term Bonds to be redeemed on such date from such Sinking Fund Requirement, then the Trustee may pay a purchase price for any such Term Bond in excess of the Redemption Price which would be payable on the next redemption date to the Owner of such Term Bond under the provisions of this Resolution, if an Authorized Representative certifies to the Trustee that the amount paid in excess of said Redemption Price is expected to be less than the interest which is expected to accrue on said Term Bond less any investment earnings on such available moneys during the period from the settlement date of the proposed purchase to the redemption date. The Trustee shall pay the interest accrued on such Term Bonds or portions of Term Bonds to the date of settlement therefor from the General Receipts Fund. Notwithstanding the foregoing, no such purchase shall be made by the Trustee after the giving of notice of redemption by the Trustee.

(d) Any purchase or redemption of 2025 Series 1 General Obligation Bonds shall be made pursuant to the provisions of Article V of this Resolution. Upon the retirement of any Term Bonds by purchase or redemption pursuant to the provisions of this Section 1204, the Trustee shall file with the Authority a statement identifying such 2025 Series 1 General Obligation

Bonds and setting forth the date of their purchase or redemption, the amount of the purchase price or the Redemption Price of such 2025 Series 1 General Obligation Bonds and the amount paid as interest thereon. The expenses in connection with the purchase or redemption of any such 2025 Series 1 General Obligation Bonds shall be paid by the Trustee from the moneys available for the payment of Expenses or moneys provided by the Authority.

**1205. Redemption Fund.**

(a) The Trustee shall apply all moneys deposited in the Redemption Fund to the purchase or redemption of 2025 Series 1 General Obligation Bonds issued under the provisions of this Resolution, as follows:

(1) The Trustee, upon direction of an Authorized Representative, shall endeavor to purchase 2025 Series 1 General Obligation Bonds or portions of 2025 Series 1 General Obligation Bonds then Outstanding, whether or not such 2025 Series 1 General Obligation Bonds or portions of 2025 Series 1 General Obligation Bonds shall then be subject to redemption, at a price not to exceed the Redemption Price (plus accrued, interest, if any, to the date of redemption) which would be payable on the next redemption date to the Owners of such 2025 Series 1 General Obligation Bonds if such 2025 Series 1 General Obligation Bonds or portions of 2025 Series 1 General Obligation Bonds should be called for redemption on such date from the moneys in the Redemption Fund. Such maximum purchase price may be exceeded in accordance with the proviso in Section 1204(c) above. The Trustee shall pay the interest accrued on such 2025 Series 1 General Obligation Bonds to the date of settlement therefor from the Debt Service Fund or the General Receipts Fund, and the balance of the purchase price from the Redemption Fund, but no such purchase shall be contracted for by the Trustee after the giving of notice by the Trustee that such 2025 Series 1 General Obligation Bonds have been called for redemption except from moneys in the Redemption Fund other than the moneys set aside for the redemption of such 2025 Series 1 General Obligation Bonds.

(2) The Trustee, having endeavored to purchase 2025 Series 1 General Obligation Bonds pursuant to sub-subsection (1) of this subsection (a), shall call for redemption on the earliest practicable date on which 2025 Series 1 General Obligation Bonds are subject to redemption from moneys in the Redemption Fund, and with respect to accrued interest on such 2025 Series 1 General Obligation Bonds payable upon redemption, the Debt Service Fund or General Receipts Fund, such amount (computed on the basis of Redemption Prices) of 2025 Series 1 General Obligation Bonds as will exhaust the moneys held for the credit of the Redemption Fund as nearly as may be practicable.

Any purchase or redemption of 2025 Series 1 General Obligation Bonds shall be made pursuant to the provisions of Article V of this Resolution. Prior to redeeming all or portions of 2025 Series 1 General Obligation Bonds, the Trustee shall set aside in the Debt Service Fund or General Receipts Fund, as applicable, the respective amounts required for paying the interest on and the Redemption Price of the 2025 Series 1 General Obligation Bonds or portions of 2025 Series 1 General Obligation Bonds so called for redemption. Upon the retirement of any 2025 Series 1 General Obligation Bonds under this Section 1205 by purchase or redemption, the Trustee shall file with the Authority a statement briefly describing such 2025 Series 1 General Obligation Bonds and setting forth the date of their purchase or redemption, the amount of the



purchase price or the Redemption Price of such 2025 Series 1 General Obligation Bonds and the amount paid as interest thereon. The expenses in connection with the purchase or redemption of any such 2025 Series 1 General Obligation Bonds shall be paid by the Trustee from the moneys available for the payment of Expenses or moneys provided by the Authority.

(b) Moneys held for the credit of the Redemption Fund shall be transferred to the Debt Service Fund pursuant to Section 1207 hereof.

(c) If 2025 Series 1 General Obligation Bonds shall have been called for redemption, moneys in an amount sufficient to effectuate such redemption shall be retained in the Redemption Fund for application to such redemption.

**1206. Capital Reserve Fund.** Moneys held for the credit of the Capital Reserve Fund shall be transferred by the Trustee to the Debt Reserve Fund pursuant to Section 1207 hereof.

Moneys held for the credit of the Capital Reserve Fund as of any date in excess of the Capital Reserve Fund Requirement upon Authority Request shall be transferred to the General Receipts Fund or the Redemption Fund.

The Capital Reserve Fund Requirement with respect to the 2025 Series 1 General Obligation Bonds may be funded through Cash Equivalents. In connection with any discussion in this Resolution of “moneys” on deposit in or held for the credit of the Capital Reserve Fund, “moneys” shall be deemed to include said Cash Equivalents.

**1207. Deficiencies in Debt Service Fund.** In the event that amounts in the Debt Service Fund shall be insufficient on any interest payment date or principal payment date to pay the principal of and interest on the 2025 Series 1 General Obligation Bonds due and unpaid on such date, whether at the stated payment or maturity date or by the retirement of 2025 Series 1 General Obligation Bonds in satisfaction of the Sinking Fund Requirements therefor, the Trustee shall withdraw amounts from the following Funds and Account in the following order of priority to the extent necessary to eliminate such deficiency; provided, however, that no amounts on deposit in the Redemption Fund, shall be used for such purpose to the extent that such amounts have been set aside for the payment of 2025 Series 1 General Obligation Bonds which are the subject of a binding purchase agreement or which have been called for redemption:

- (i) General Receipts Fund;
- (ii) Redemption Fund;
- (iii) Bond Proceeds Fund;
- (iv) Capital Reserve Fund; and
- (v) Capital Reserve Capital Account.

**1208. Moneys Sufficient to Redeem 2025 Series 1 General Obligation Bonds.** Whenever moneys and securities held for the credit of the General Receipts Fund, the Bond Proceeds Fund, the Debt Service Fund, the Redemption Fund and the Capital Reserve Fund are

sufficient to pay, purchase or redeem the 2025 Series 1 General Obligation Bonds in whole on the next succeeding interest payment date, the Trustee shall apply such moneys, upon receipt of an Authority Request requesting such application, to the payment, purchase or redemption of the 2025 Series 1 General Obligation Bonds in accordance with Section 505 (Defeasance) hereof.

**1209. Moneys Held in Trust.**

If sufficient money or Government Obligations (the principal or interest on which will provide sufficient money for payment of the principal amount or accrued interest on the 2025 Series 1 General Obligation Bonds which have matured, on their maturity date or each date thereafter) are held by the Trustee in trust for the Owners of 2025 Series 1 General Obligation Bonds on the maturity date of such 2025 Series 1 General Obligation Bonds, such 2025 Series 1 General Obligation Bonds shall cease to be Outstanding under the provisions of this Resolution, interest on the 2025 Series 1 General Obligation Bonds which have matured shall cease to accrue, such 2025 Series 1 General Obligation Bonds shall cease to be entitled to any benefit or security under this Resolution, and the Owners of such 2025 Series 1 General Obligation Bonds shall have no rights in respect thereof, except to receive payment of the principal amount thereof and accrued interest thereon to the maturity date.

**1210. Cancellation of 2025 Series 1 General Obligation Bonds.** All 2025 Series 1 General Obligation Bonds paid, redeemed or purchased, either at or before maturity, shall be cancelled upon the payment, redemption or purchase of such 2025 Series 1 General Obligation Bonds and shall be delivered to the Trustee when such payment, redemption or purchase is made. All 2025 Series 1 General Obligation Bonds cancelled under any of the provisions of this Resolution shall be destroyed by the Trustee, which shall execute a certificate in duplicate describing the 2025 Series 1 General Obligation Bonds so destroyed, and one executed certificate shall be filed with the Authority and the other executed certificate shall be retained by the Trustee.

**1211. Use of Available Funds.** Nothing in this Resolution shall be construed to prevent the Authority from paying all or any part of the operating expenses of the Authority from any moneys available to the Authority for such purpose which are not pledged to secure the payment of the 2025 Series 1 General Obligation Bonds, or from depositing in any Fund created under the provisions of this Resolution any moneys available to the Authority for such deposit.

**1212. Exchange of Moneys and Securities.** Upon Authority Request, the Trustee shall exchange money and/or Investment Obligations on deposit in any Fund or Account for an equal value of money and/or Investment Obligations on deposit in any other Fund or Account or in any fund or account held under another bond resolution or indenture of the Authority.

**1213. Administration of Capital Reserve Fund and the Capital Reserve Capital Account.**

(1) The Authority shall establish and maintain the Capital Reserve Fund in accordance with the provisions of the Act and this Resolution. All moneys and securities held in the Capital Reserve Fund shall be used, disbursed and applied only in accordance with the provisions of this Resolution and for no other purpose. Moneys and securities held in the Capital

Reserve Fund shall not be withdrawn therefrom at any time in such amount as would reduce the amount of moneys in such Fund to an amount less than the Capital Reserve Fund Requirement except in accordance with the provisions of and for the purposes prescribed by Section 1206.

(2) The Authority shall maintain the Capital Reserve Capital Account in accordance with the provisions of the Act and this Resolution. Moneys and securities held in the Capital Reserve Capital Account shall be used, disbursed and applied only in accordance with the provisions of this Resolution, the HDB Resolution, any other resolutions of the Authority authorizing the issuance of bonds and the Act.

(3) In order to assure the maintenance of the Capital Reserve Fund in an amount equal to the Capital Reserve Fund Requirement and in compliance with the requirements of paragraph (7) of Section 32 of the Act, the Chairperson of the Authority shall, on or before September 1 of any year in which there is a deficiency in the Capital Reserve Fund, make and deliver to the Governor and Director of the Budget of the State his certificate stating the amount, if any, required to restore the Capital Reserve Fund to the amount of the Capital Reserve Fund Requirement. All moneys received by the Authority from the State pursuant to any such certification shall be deposited in the Capital Reserve Fund.

### **ARTICLE XIII PARTICULAR COVENANTS AND PROVISIONS**

**1301. Payment of Principal, Interest and Premium.** The Authority covenants that it will promptly pay as herein provided, the principal of and interest, if any, on each and every 2025 Series 1 General Obligation Bond issued under the provisions of this Resolution at the places, on the dates and in the manner specified herein and in the 2025 Series 1 General Obligation Bonds and any premium required for the retirement of the 2025 Series 1 General Obligation Bonds by purchase or redemption according to the true intent and meaning thereof. The State is not liable on the 2025 Series 1 General Obligation Bonds and the 2025 Series 1 General Obligation Bonds are not a debt of the State.

**1302. Covenant to Perform Obligations Under this Resolution.** The Authority covenants that it will faithfully perform at all times all covenants, undertakings, stipulations, provisions and agreements contained in this Resolution, in any and every 2025 Series 1 General Obligation Bond executed, authenticated and delivered hereunder and in all proceedings of the Authority pertaining thereto. The Authority covenants that it is duly authorized to issue the 2025 Series 1 General Obligation Bonds authorized hereby and to enter into this Resolution and grant the security granted hereunder and that all action on its part for the issuance of the 2025 Series 1 General Obligation Bonds issued hereunder and the execution and delivery of this Resolution has been duly and effectively taken; and that such 2025 Series 1 General Obligation Bonds in the hands of the owners thereof are and will be valid and enforceable obligations of the Authority according to the tenor and import thereof. The Authority will ensure sufficient Revenues will be on deposit in the General Receipts Fund, including by transferring funds eligible to be released from the lien of the SFMRB Resolution, into the General Receipts Fund, such that debt service on the 2025 Series 1 General Obligation Bonds is timely paid.

**1303. No Extension of Maturities or Claims for Interest.** The Authority will not directly or indirectly extend or assent to the extension of the time for the payment of any principal of or claim for interest on any 2025 Series 1 General Obligation Bond and will not directly or indirectly be a party to any arrangement therefor without the consent of any Bondowner materially adversely affected thereby.

**1304. Further Instruments and Actions.** The Authority covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such resolutions supplemental hereto and such further acts, instruments and transfers as may be necessary or desirable for the better pledging of the security pledged hereby to the payment of the principal of, premium, if any, and the interest on the 2025 Series 1 General Obligation Bonds.

**1305. Agreement of the State.** As provided in Section 34 of the Act, the State has pledged to and agreed with the Bondowners that the State will not limit or alter the rights vested by the Act in the Authority to fulfill the terms of any agreements made with the Bondowners or in any way impair the rights and remedies of the Bondowners until the 2025 Series 1 General Obligation Bonds, together with the interest thereon, and all costs and expenses in connection with any action or proceeding by or on behalf of the Bondowners, are fully met and discharged.

**1306. Enforcement of Rights Under Mortgage Loans and Down Payment Assistance Loans.** The Authority hereby covenants to enforce all its rights and obligations under and pursuant to the Mortgage Loans and Down Payment Assistance Loans.

**1307. Maintenance of Existence of Authority.** The Authority will at all times use its best efforts to maintain its existence and to maintain, preserve and renew all its rights, powers, privileges and franchises, and it will comply with all valid acts, rules, regulations, orders and directions of any legislative, administrative or judicial body applicable to this Resolution.

**1308. Books and Records.**

(a) The Trustee shall keep proper books of record and account in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocations and applications of all moneys received by the Trustee hereunder, and such books shall be available for inspection by the Authority and any Bondowner during business hours, upon reasonable notice and under reasonable conditions.

(b) On or before the tenth business day of each month the Trustee shall furnish to the Authority in accordance with Section 1006 hereof a statement of the Authority's revenues and expenditures and of the changes in the balances of the Funds during the previous month.

(c) The Authority shall keep proper books of records and account for all its transactions, other than those recorded in the books maintained by the Trustee pursuant to subsection (a) hereof, and such books shall be available for inspection by the Trustee and any Bondowner during business hours and upon reasonable notice.

**1309. Reports.** The Authority shall annually, within one hundred twenty (120) days after the close of each Fiscal Year, file with the Trustee a copy of annual financial statements for such Fiscal Year, accompanied by an Accountant's opinion, setting forth in complete and reasonable detail: (a) its results of operations for the Fiscal Year and (b) its assets and liabilities at the end of the Fiscal Year, which financial statements shall show on a consolidated basis the balances of the Funds and Accounts established or maintained by this Resolution. A copy of each such annual financial statement and the Accountant's opinion shall be mailed by the Authority to each Bondholder who shall have filed his name and address with the Authority for such purpose.

**1310. Recordation of this Resolution and Filing of Security Instruments.** The Authority shall cause this Resolution and all supplements hereto and thereto, together with all other security instruments and financing statements, to be recorded and filed, as the case may be, if required by law for perfection of the security interests created therein, in such manner and in such places as may be required by law in order to perfect the lien of, and the security interests created by, this Resolution.

**1311. Program Covenants.** The Authority warrants and covenants that no Mortgage Loan or Down Payment Assistance Loan shall be financed by the Authority with proceeds of the 2025 Series 1 General Obligation Bonds (which Mortgage Loans and Down Payment Assistance Loan shall not secure the 2025 Series 1 General Obligation Bonds, but shall secure bonds issued under the SFMRB Resolution) unless the Mortgage Loan and Down Payment Assistance Loan complies in all respects with the Act, the SFMRB Resolution and the requirements of the Program in effect on the date of financing and, to the extent applicable, the Authority shall have received the representations and warranties of the Mortgage Lender required by this Resolution or the SFMRB Resolution.

The Mortgage Lender will be required to warrant with respect to each Mortgage Loan that (a) the Mortgage Loan is evidenced by a promissory note and a mortgage document which has been properly recorded and constitutes a valid first lien on the property subject only to real property taxes or assessments not yet due, easements and restrictions which do not materially adversely affect the use or value of the property; and (b) the property financed by the Mortgage Loan is covered by a valid and subsisting insurance policy issued by a company authorized to issue such policies in the State and providing fire and extended coverage in an amount not less than the greater of (i) 80% of the insurable value of the mortgaged property; or (ii) the outstanding principal balance of the Mortgage Loan.

**1312. Notice of an Event of Default.** The Authority shall promptly notify the Trustee of the occurrence of an Event of Default under this Resolution.

#### ARTICLE XIV SUPPLEMENTAL RESOLUTIONS

**1401. Borrowers' Consent Not Required.** The Authority may, from time to time and at any time, adopt such resolutions supplemental hereto (which Supplemental Resolutions shall thereafter form a part hereof):

- (a) to cure any ambiguity or defect or omission in this Resolution; or

(b) to grant to or confer upon the Trustee for the benefit of the Bondowners any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondowners or the Trustee; or

(c) to include as pledged revenues or money under, and subject to the provisions of, this Resolution any additional revenues or money legally available therefor; or

(d) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Resolution which shall not be inconsistent with the provisions of this Resolution, provided such action shall not materially adversely affect the interest of the Bondowners; or

(e) to add to the covenants and agreements of the Authority in this Resolution other covenants and agreements thereafter to be observed by the Authority or to surrender any right or power herein reserved to or conferred upon the Authority; or

(f) to add provisions relating to 2025 Series 1 General Obligation Bonds with coupons appertaining thereto or 2025 Series 1 General Obligation Bonds issued with full book-entry delivery, if necessary, if the Authority shall determine to so issue 2025 Series 1 General Obligation Bonds in such form under this Resolution; or

(g) to modify, amend or supplement this Resolution or any Supplemental Resolution in such manner as to permit, if presented, the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or under any state Blue Sky Law; or

(h) to surrender any right, power or privilege reserved to or conferred upon the Authority by the terms of this Resolution, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Authority contained in this Resolution; or

(i) to add to the definition of Investment Obligations pursuant to the last proviso of the definition thereof; or

(j) to make any other change which, in the judgment of the Trustee, does not materially adversely affect the interests of the Bondowners.

**1402. Supplements and Amendments Requiring Consent of Owners of a Majority in Principal Amount of 2025 Series 1 General Obligation Bonds.** Subject to the terms and provisions contained in this Section, and not otherwise, (i) the Owners of not less than fifty-one percent (51%) in aggregate principal amount of the 2025 Series 1 General Obligation Bonds of equal standing then Outstanding; (ii) if less than all of the 2025 Series 1 General Obligation Bonds of equal standing then Outstanding are affected, of the Owners of greater than fifty percent (50%) in principal amount of 2025 Series 1 General Obligation Bonds so affected then Outstanding and in case the terms of any Sinking Fund Requirements are changed, of the Owners of greater than fifty per-cent (50%) in principal amount of the 2025 Series 1 General Obligation Bonds of equal standing then Outstanding and maturity entitled to such Sinking Fund

Requirements and then Outstanding shall have the right, from time to time, anything contained in this Resolution to the contrary notwithstanding, to consent to and approve the adoption by the Authority and the Trustee of such resolution or resolutions supplemental hereto as shall be deemed necessary or desirable by the Authority for the purpose of modifying, altering, amending, adding to, repealing or rescinding, in any particular, any of the terms or provisions contained in this Resolution or in any Supplemental Resolution. Notwithstanding the foregoing, nothing herein contained shall permit, or be construed as permitting, without the consent of all adversely affected Bondowners, (a) a change in the terms of redemption or of the maturity of the principal of or the interest on any 2025 Series 1 General Obligation Bond issued hereunder, or (b) a reduction in the principal amount of any 2025 Series 1 General Obligation Bond or the redemption premium or the rate of interest thereon, or (c) the creation of a lien upon or a pledge of the Revenues, or any part thereof, other than the lien and pledge created or permitted by this Resolution, or (d) with respect to 2025 Series 1 General Obligation Bonds of equal standing, a preference or priority of any 2025 Series 1 General Obligation Bond or 2025 Series 1 General Obligation Bonds over any other 2025 Series 1 General Obligation Bond or 2025 Series 1 General Obligation Bonds, or (e) a reduction in the aggregate principal amount of the 2025 Series 1 General Obligation Bonds of equal standing required for consent to such Supplemental Resolution. Nothing herein contained, however, shall be construed as making necessary the approval by Bondowners of the execution of any Supplemental Resolution as authorized in Section 1401 of this Article. If any such modification or amendment will, by its terms, not take effect so long as any 2025 Series 1 General Obligation Bonds of equal standing remain Outstanding, the consent of the owners of such 2025 Series 1 General Obligation Bonds shall not be required and such 2025 Series 1 General Obligation Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding 2025 Series 1 General Obligation Bonds under this Section. For the purpose of this Section, 2025 Series 1 General Obligation Bonds shall be deemed to be affected by a modification or amendment of this Resolution or a Supplemental Resolution if the same adversely affects or diminishes the rights of the Owner of such 2025 Series 1 General Obligation Bonds. The Trustee may in its discretion determine whether or not in accordance with the foregoing powers of amendment, 2025 Series 1 General Obligation Bonds would be affected by any modification or amendment of this Resolution or a Supplemental Resolution and any such determination shall be binding and conclusive on the Authority and all Owners of 2025 Series 1 General Obligation Bonds.

The Trustee shall, at the expense of the Authority, cause notice of the proposed adoption of such Supplemental Resolution to be mailed, first class postage prepaid, to all affected Bondowners at their addresses as they appear on the registration books. Such notices shall briefly set forth the proposed Supplemental Resolution and shall state that copies thereof are on file at the principal office of the Trustee for inspection by all Bondowners. The Trustee shall not, however, be subject to any liability to any Bondowners by reason of its failure to mail the notice required by this Section, and any such failure shall not affect the validity of such Supplemental Resolution when consented to and approved as provided in this Section.

Whenever, at any time within one year after the date of the first giving of such notice, the Authority shall deliver to the Trustee an instrument or instruments in writing purporting to be executed by the owners of not less than fifty-one percent (51%) in aggregate principal amount of the affected 2025 Series 1 General Obligation Bonds then Outstanding, which instrument or instruments shall refer to the proposed Supplemental Resolution described in such notice and

shall specifically consent to and approve the execution thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Trustee may perform its duties under such Supplemental Resolution in substantially such form, without liability or responsibility to any Bondowner, whether or not such Bondowner shall have consented thereto.

If the required number of owners at the time of the adoption of such Supplemental Resolution shall have consented to and approved the adoption thereof as herein provided, no Bondowner shall have any right to object to the execution of such Supplemental Resolution, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Trustee or the Authority from adopting the same or from taking any action pursuant to the provisions thereof.

**1403. Supplements and Amendments Deemed Part of Resolution.** Any Supplemental Resolution adopted in accordance with the provisions of this Article shall thereafter form a part of this Resolution, and all of the terms and conditions contained in any such Supplemental Resolution as to any provision authorized to be contained therein shall be and shall be deemed to be part of the terms and conditions of this Resolution for any and all purposes.

**1404. Discretion of Trustee in Performing Under Supplemental Resolutions.** In each and every case provided for in this Article, the Trustee shall be entitled to exercise its discretion in determining whether or not to perform under any proposed Supplemental Resolution, or any term or provision therein contained, if the rights, obligations and interests of the Trustee would be affected, having in view the purposes of such instrument, the rights and interests of the Bondowners, the respective rights and interests of the Authority and the rights, obligations and interests of the Trustee, and the Trustee shall not be under any responsibility or liability to the Authority, any Bondowner or to anyone whomsoever for its refusal in good faith to perform under any such Supplemental Resolution, if such Supplemental Resolution is deemed by it to be contrary to the provisions of this Article. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, the opinion of any counsel approved by it, who may be counsel for the Authority, as conclusive evidence that any such proposed Supplemental Resolution does or does not comply, with the provisions of this Resolution, and that it is or is not proper for it, under the provisions of this Article, to perform under such Supplemental Resolution.

**1405. Notation on 2025 Series 1 General Obligation Bonds.** 2025 Series 1 General Obligation Bonds authenticated and delivered after the effective date of any action taken in this Article may, and, if the Trustee or the Authority so determines, shall bear a notation by endorsement or otherwise in form approved by the Authority and the Trustee as to such action, and in that case upon demand of the Owner of any 2025 Series 1 General Obligation Bond Outstanding at such effective date and presentation of his 2025 Series 1 General Obligation Bond for the purpose at the principal corporate trust office of the Trustee or upon any transfer of any 2025 Series 1 General Obligation Bond Outstanding at such effective date, suitable notation shall be made on such 2025 Series 1 General Obligation Bond or upon any such transfer by the Trustee as to any such action. If the Authority or the Trustee shall so determine, new 2025 Series 1 General Obligation Bonds so modified as in the opinion of the Trustee and the Authority



to conform to such action shall be prepared, authenticated and delivered, and upon demand of the Owner of any 2025 Series 1 General Obligation Bond then Outstanding, shall be exchanged, without cost to such Bondowner, for 2025 Series 1 General Obligation Bonds then Outstanding, upon surrender of such 2025 Series 1 General Obligation Bonds for 2025 Series 1 General Obligation Bonds of the same maturity then Outstanding.

## **ARTICLE XV MISCELLANEOUS**

**1501. Ratification of Actions.** The actions of any Authorized Representative heretofore taken including, but not limited to: the making of presentations to any security rating agency, the undertaking of discussions and negotiations with underwriters or groups of underwriters or purchasers regarding offers to purchase the 2025 Series 1 General Obligation Bonds and the undertaking of discussions and negotiations with the Initial Credit/Liquidity Provider, shall be, and they hereby are, ratified and confirmed in all respects.

**1502. 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 2025 Series 1 General Obligation Bonds subject to, and as may be required by the Purchase Contract and this Resolution.

(b) Any Authorized Representative is hereby authorized to pay from the Authority's General Operating Fund all funds necessary to pay the costs of issuance, including, if applicable, the Underwriter's fee and placement fee, the Initial Credit/Liquidity Provider fees and Remarketing Agent fee of the 2025 Series 1 General Obligation Bonds, to the extent not paid from the proceeds of the 2025 Series 1 General Obligation 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 or carry out the purposes of this Resolution.

(d) (i) The Authority hereby authorizes and directs an Authorized Representative to acquire the Initial Credit Facility from the Initial Credit/Liquidity Provider, and to negotiate and, upon satisfactory negotiation, execute and perform the related Initial Reimbursement Agreement, substantially in the form presented at this meeting, 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, the approval of such changes shall be evidenced by the Authorized Representative's execution thereof, taking into account the benefits to be derived by the Authority from acquiring a Credit Facility to support the 2025 Series 1 General Obligation Bonds as provided in this Resolution.

The Fee Agreement between the Authority and the Initial Credit/Liquidity Provider (the "Fee Agreement") in substantially the form presented to this meeting, is hereby approved and an Authorized Representative is authorized to negotiate, execute and perform the Fee Agreement,

which is hereby approved with such changes in such document as may be necessary or desirable, permitted by the Act and otherwise by law, the approval of such changes shall be evidenced by the Authorized Representative's execution thereof; provided, however, the annual fees to be paid in respect of the Initial Credit/Liquidity Facility as of (A) the date of execution of the Fee Agreement or (B) the date the Fee Agreement is amended or modified in connection with an extension of the term of the Initial Credit/Liquidity Facility, shall not initially exceed 2.00% of the available commitment thereunder; provided further, however, that such fees may be increased from time to time in accordance with the provisions of such Initial Credit/Liquidity Facility and the Fee Agreement without regard to the foregoing limitation, but subject to the approval of an Authorized Representative.

**1503. Authorization of Procurement of Letter(s) of Credit, Security Arrangement and/or Surety Bond(s) and Execution of Reimbursement Agreement and/or Guaranty Agreement; Notice to the Trustee.** (a) Any Authorized Representative hereby is authorized to obtain Letter(s) of Credit, Security Arrangement(s) and/or Surety Bond(s), to obtain an increase in the amount of existing Letter(s) of Credit and/or Surety Bond(s) or to obtain a replacement for existing Letter(s) of Credit, Security Arrangement(s) and/or Surety Bond(s) for application in lieu of the deposit of moneys to the Capital Reserve Fund as specifically authorized in this Resolution. In connection with the procurement of the foregoing Letter(s) of Credit, Security Arrangement(s) and/or Surety Bond(s) or the increase in the amount of existing Letter(s) of Credit, Security Arrangement(s) 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 Resolution.

(b) The Security Arrangement entitled "Agreement to Make Payments in Respect of Capital Reserve Fund" relating to the 2025 Series 1 General Obligation Bonds, in the form presented to this meeting, is hereby approved. If determined to be in the best interests of the Authority, an Authorized Representative is authorized to execute and deliver such Security Arrangement in substantially the form approved, with such changes in such document as may be necessary or desirable, permitted by the Act and otherwise by law, and not materially adverse to the Authority.

**1504. Execution of Instruments by Bondowners, Proof of Ownership of 2025 Series 1 General Obligation Bonds and Determination of Concurrence of Bondowners.** Any request, direction, consent or other instrument in writing required or permitted by this Resolution to be signed or executed by Bondowners may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Bondowners or their attorneys or legal representatives. Proof of the execution of any such instrument and of the ownership of 2025 Series 1 General Obligation Bonds shall be sufficient for any purpose of this

Resolution and shall be conclusive in favor of the Trustee with regard to any action taken by it under such instrument if made in the following manner:

(a) The fact and date of the execution by any person of any such instrument may be proved by the verification of any officer in any jurisdiction who, by the laws, thereof, has power to take affidavits within such jurisdiction, to the effect that such instrument was subscribed and sworn to before him, or by an affidavit of a witness to such execution. Where such execution is on behalf of a person other than an individual such verification or affidavit shall also constitute sufficient proof of the authority of the signor thereof.

(b) The ownerships of 2025 Series 1 General Obligation Bonds shall be proved by the registration books kept under the provisions of Section 210 of this Resolution. Nothing contained in this Section shall be construed as limiting the Trustee, to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which it may deem sufficient. Any request or consent of the Owner of any 2025 Series 1 General Obligation Bond shall bind every future holder of the same 2025 Series 1 General Obligation Bond in respect of anything done by the Trustee in pursuance of such request or consent. Notwithstanding any of the foregoing provisions of this Section, the Trustee shall not be required to recognize any person as a holder of any 2025 Series 1 General Obligation Bond or to take any action at his request unless such 2025 Series 1 General Obligation Bond shall be deposited with it.

**1505. Preliminary Official Statement.** The form of the Preliminary Official Statement of the Authority with respect to the sale of the 2025 Series 1 General Obligation 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.

**1506. 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.

**1507. 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.

**1508. Notice of Redemption.**

(a) At least thirty (30) days but no more than ninety (90) days before the redemption date of any 2025 Series 1 General Obligation Bonds, the Trustee shall cause a notice of any redemption of 2025 Series 1 General Obligation Bonds, either in whole or in part, to be sent by registered or certified mail or by overnight delivery to any registered owner of 2025 Series 1 General Obligation Bonds to be redeemed.

(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 2025 Series 1 General Obligation Bonds to be redeemed who has not presented and surrendered such 2025 Series 1 General Obligation Bonds to the Trustee for redemption within thirty (30) days after the date of redemption.

(c) A notice of any such redemption shall include the following information with respect to the 2025 Series 1 General Obligation Bonds to be so redeemed: the complete title of the 2025 Series 1 General Obligation Bonds, the CUSIP numbers of the 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds.

**1509. Continuing Disclosure.** The 2025 Series 1 General Obligation Bonds are hereby made subject to the Master Continuing Disclosure Undertaking – Single-Family General Obligation Bonds, dated as of April 1, 2025 (the “Undertaking”), and the Authority agrees to abide by the provisions thereof so long as any of the 2025 Series 1 General Obligation Bonds are Outstanding. The form of Undertaking as it appears as an exhibit to the Preliminary Official Statement is hereby authorized and approved, with such changes, omissions, insertions and revisions as an Authorized Representative shall deem advisable or appropriate, and any Authorized Representative is hereby authorized to execute such Undertaking.

**1510. Notices to Rating Agency.** The Authority hereby covenants and agrees that it will send written notice to S&P at 55 Water Street, 38<sup>th</sup> Floor, New York, New York 10041, of the occurrence of any of the following events with respect to the 2025 Series 1 General Obligation Bonds:

(a) any acceleration of payment of the principal of and interest on the 2025 Series 1 General Obligation Bonds;

(b) any amendments to this Resolution;

(c) any successor to the Trustee; and

(d) any defeasance or redemption in whole of the 2025 Series 1 General Obligation Bonds.

**1511. Issuance of Additional Obligations.** Nothing contained in this Resolution shall prevent the Authority from issuing any bonds, notes or other evidences of indebtedness pursuant to additional authorizing resolutions, which are payable from or secured by the general obligation full faith and credit pledge of the Authority, on a parity basis with the 2025 Series 1 General Obligation Bonds.

**1512. Effect of Partial Invalidity.** In case any one or more of the provisions of this Resolution or of the 2025 Series 1 General Obligation Bonds issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Resolution or of the 2025 Series 1 General Obligation Bonds, but this Resolution and the 2025 Series 1 General Obligation Bonds shall be construed and enforced, as if such illegal or invalid provision had not been contained therein. In case any covenant, stipulation, obligation or agreement contained in the 2025 Series 1 General Obligation Bonds or in this Resolution shall for any reason be held to be in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Authority to the full extent permitted by law.

**1513. Payment Dues or Acts to be Performed on Weekends and Holidays.** If the date for making any payment of principal or premium, if any, or interest or the last date for performance of any act or the exercising of any right, as provided in this Resolution, shall be a legal holiday or a day on which banking institutions in the city where the Trustee is located, are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or not a day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in this Resolution.

**1514. Effective Date.** This Resolution shall take effect immediately. If the 2025 Series 1 General Obligation Bonds are not delivered to the Underwriter on or before May 31, 2025, the authority granted by this Resolution shall lapse.

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Exhibit A

Form of 2025 Series 1 General Obligation Bond

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*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 GENERAL OBLIGATION BOND, 2025 SERIES 1  
(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 Authorizing Resolution (defined herein), 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 Authorizing Resolution; provided, however, payment of interest on any Interest Payment Date shall be paid (i) while this 2025 Series 1 General Obligation Bond

bears interest at a Variable Rate or a Fixed Rate, in immediately available funds, or (ii) if this 2025 Series 1 General Obligation Bond bears interest at a Flexible Rate, in immediately available funds upon presentation and surrender of this 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bond is payable upon surrender of this 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bond while it bears interest at a Variable Rate, payment of principal, premium, if any, and interest on this 2025 Series 1 General Obligation 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 Authorizing Resolution) of this 2025 Series 1 General Obligation 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 2025 SERIES 1 GENERAL OBLIGATION BOND AND THIS 2025 SERIES 1 GENERAL OBLIGATION 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 Authorizing 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bond. This 2025 Series 1 General Obligation Bond is one of a duly authorized issue of bonds, issued 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 a resolution authorizing the issuance and sale of the 2025 Series 1 General Obligation Bonds. The aggregate principal amount of bonds which may be issued by the Authority is not limited except as provided in the Act and the applicable bond authorizing resolution, and all general obligation bonds issued and to be issued are and will be equally secured by the pledges and covenants made therein, except as otherwise expressly provided in the applicable authorizing resolution.

This 2025 Series 1 General Obligation Bond is one of a series of bonds designated “Single-Family General Obligation Bonds, 2025 Series 1 (Federally Taxable)” (the “2025 Series 1 General Obligation Bonds”) issued in the initial aggregate principal amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) under the Resolution Authorizing the Issuance and Sale of Single-Family General Obligations Bonds, 2025 Series 1 in an Amount not to Exceed \$80,000,000, adopted on March 20, 2025 (the “Authorizing Resolution”). The proceeds of the 2025 Series 1 General Obligation Bonds will be utilized by

the Authority as provided in the Authorizing Resolution. The 2025 Series 1 General Obligation Bonds will be secured by the Authority's general obligation full faith and credit pledge, including such Funds and Accounts and such funds on deposit therein, as provided for in the Authorizing Resolution. Copies of the Authorizing Resolution are on file in the office of the Authority and at the corporate trust office of the Trustee, and reference to the Authorizing Resolution, and modifications and amendments thereof and to the Act are made for a description of the pledges and covenants securing the 2025 Series 1 General Obligation Bonds, the nature, extent and manner of enforcement of such pledges, the rights and remedies of the registered owners of the 2025 Series 1 General Obligation Bonds with respect thereto and the terms and conditions upon which the 2025 Series 1 General Obligation Bonds are issued and may be issued thereunder. To the extent and in the manner permitted by its terms, the provisions of the Authorizing Resolution, or any resolution amendatory thereof or supplemental thereto, may be modified or amended.

This 2025 Series 1 General Obligation Bond is transferable, as provided in the Authorizing Resolution, 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bond or 2025 Series 1 General Obligation 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 Authorizing Resolution, and upon the payment of the charges, if any, therein prescribed.

In the manner provided in the Authorizing Resolution, the term of each 2025 Series 1 General Obligation Bond will be divided into consecutive Rate Periods during each of which such 2025 Series 1 General Obligation Bond shall bear interest at a Variable Rate, Flexible Rate or the Fixed Rate. On the date of issuance the 2025 Series 1 General Obligation Bonds shall bear interest at the Weekly Rate. The Rate Period of the 2025 Series 1 General Obligation Bonds may be Converted to a different Rate Period at the election of the Authority in the manner provided in the Authorizing Resolution. Information regarding the interest rates borne by the 2025 Series 1 General Obligation Bonds and Conversions to a different Rate Period will be furnished or made available to Registered Owners of the 2025 Series 1 General Obligation Bonds in the manner provided in the Authorizing Resolution.

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 Authorizing Resolution, if the 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds during each such Rate Period in accordance with the provisions of the Authorizing Resolution.



The term “Interest Payment Date” means (a) when used with respect to 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bond, its stated maturity date or the date on which it is earlier paid.

Except as otherwise set forth in the Authorizing Resolution, the 2025 Series 1 General Obligation 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 Authorizing Resolution, the Registered Owners of the 2025 Series 1 General Obligation Bonds bearing interest at a Variable Rate may elect to tender 2025 Series 1 General Obligation Bonds or portions thereof for purchase; provided, however, that no 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation Bonds. Under certain circumstances, and in the manner provided in the Authorizing Resolution, the 2025 Series 1 General Obligation Bonds will be subject to mandatory tender for purchase on the dates described in the Authorizing Resolution. The Trustee shall cause notice of certain mandatory tenders to be mailed to the Registered Owners in accordance with the provisions of the Authorizing Resolution. 2025 Series 1 General Obligation Bonds as to which the Registered Owners have given notice of optional tender in the manner provided in the Authorizing Resolution, or 2025 Series 1 General Obligation Bonds subject to mandatory tender, will be deemed to be tendered on the Purchase Date with the effect provided in the Authorizing Resolution, and thereafter the Registered Owners thereof will be entitled only to receive the purchase price therefor.

Any 2025 Series 1 General Obligation Bond held by or on behalf of a Liquidity Facility Provider as a result of the purchase of such 2025 Series 1 General Obligation Bond with proceeds from a draw on the Liquidity Facility shall bear interest at the Bank Rate as provided in

the Authorizing 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 Authorizing Resolution.

To the extent this 2025 Series 1 General Obligation Bond constitutes a Bank Bond, the terms and conditions of the Authorizing Resolution with respect to Bank Bonds shall control this 2025 Series 1 General Obligation Bond.

The 2025 Series 1 General Obligation Bonds are subject to redemption prior to maturity as provided in the Authorizing Resolution. Notice of any such redemption shall be given to the registered owners of any 2025 Series 1 General Obligation Bonds or portions thereof to be redeemed as provided in the Authorizing Resolution.

This 2025 Series 1 General Obligation 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 Authorizing Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this 2025 Series 1 General Obligation Bond, exist, have happened and have been performed in due time, form and manner as required by law, and that the issue of the 2025 Series 1 General Obligation 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 2025 Series 1 General Obligation 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: Chairperson

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This bond is one of the 2025 Series 1 General Obligation Bonds described in the within-mentioned Authorizing Resolution.

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

By \_\_\_\_\_  
Authorized Representative

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

[End of 2025 Series 1 General Obligation Bond Form]

4938-5763-0742.7



# 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 20, 2025

**RE:** Genesis East, Development No. 1437-2

### 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 tax-exempt bond construction and permanent mortgage loans and a Mortgage Resource Fund ("MRF") mortgage loan in the amounts set forth below, 3) 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 the Mortgage Loan Feasibility/Commitment Staff Report dated March 20, 2025.

### PROJECT SUMMARY

MSHDA No:	1437-2
Development Name:	Genesis East
Development Location:	City of Kentwood, Kent County
Sponsor:	Genesis Nonprofit Housing Corporation I
Mortgagor:	Genesis East Redevelopment Limited Dividend Housing Association LLC
Number of Units:	23 affordable family units
Number of Units Designated for Accessible Use:	10 accessible units
Occupancy Rate	96%
Total Development Cost:	\$5,552,820
TE Bond Construction Loan:	\$2,887,466
TE Bond Permanent Loan:	\$1,448,016
MSHDA Permanent HOME Loan:	\$1,740,692
MSHDA Permanent MRF Loan:	\$464,470
Other Funds:	
LIHTC Equity:	\$1,746,326
Income from Operations:	\$45,640
Transferred Reserves:	\$16,712
Deferred Developer Fee:	\$90,964

## **EXECUTIVE SUMMARY**

Genesis Nonprofit Housing Corporation I (“the Sponsor”) proposes to renovate Genesis East (“the Development”), a 23-unit permanent supportive housing (“PSH”) development in the City of Kentwood, Kent County, Michigan. The five-building development was constructed in 2000 with thirteen (13) one-bedroom units and ten (10) two-bedroom units, to serve persons with disabilities or special needs. Genesis East was first financed with 9% Low Income Housing Tax Credits (“LIHTC”) from the Authority’s PSH set-aside. All 23 units in the Development will continue to be provided with deep rental subsidy through a Project-Based Voucher (“PBV”) Housing Assistance Payments (“HAP”) Contract from the Authority.

The Sponsor and development team have experience working on Authority-financed developments, and the Sponsor has other properties in the Authority’s portfolio.

This project will benefit the Authority by rehabilitating 23 PSH units in an area of need for affordable housing and creating \$3,653,178 in Authority-backed permanent loans.

Based on the Development’s low vacancy rate history and all 23 units continuing to receive rental subsidy from the Authority, this proposed rehabilitation offers little risk to the Authority.

## **ADVANCING THE AUTHORITY’S MISSION**

Genesis East 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, Increase access to stable and affordable quality 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.
- Goal 7.2, Increase homeownership among households with low to moderate income.

## **MUNICIPAL SUPPORT**

The City of Kentwood is providing support with a 6% PILOT.

## **COMMUNITY ENGAGEMENT/IMPACT**

The Sponsor engaged the community through Genesis Resident Support Staff and Dwelling Place Property Management staff meetings with residents in the Genesis East community room regarding plans for renovation and to hear resident suggestions and concerns. Property management conducted personal one-on-one meetings with the residents to get their input and hear individual perspectives.

The project will impact the community by providing updated apartments and grounds. Residents expressed their excitement about the proposed improvements of the property, and the City of Kentwood expressed support for the total renovation of the development.

The project will be a renovation in place, and the residents of the Genesis East community provided helpful input regarding the renovation process. If a resident is required to leave their apartment for the short period of time during the renovation, staff will work with that individual resident and come up with a plan that meets the needs of that specific resident.

**RESIDENT IMPACT**

There will be no displacement of residents or rent increase due to the rehabilitation of the property.

**ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS**

The existing Authority HOME Loan is no longer within its Period of Affordability; therefore, the existing HOME Loan will be paid off and a new HOME Loan will be issued by the Authority. The new HOME Loan will bear interest at 1% per annum with a 50-year term.



## **MORTGAGE LOAN FEASIBILITY/COMMITMENT STAFF REPORT**

**March 20, 2025**

### **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 tax-exempt bond construction and permanent mortgage loans and a Mortgage Resource Fund ("MRF") mortgage loan in the amounts set forth below, and 3) 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.

<b><u>MSHDA No.:</u></b>	1437-2
<b><u>Development Name:</u></b>	Genesis East
<b><u>Development Location:</u></b>	City of Kentwood, Kent County
<b><u>Sponsor:</u></b>	Genesis Nonprofit Housing Corporation I
<b><u>Mortgagor:</u></b>	Genesis East Redevelopment Limited Dividend Housing Association LLC
<b><u>TE Bond Construction Loan:</u></b>	\$2,887,466 (52% of TDC)
<b><u>TE Bond Permanent Loan:</u></b>	\$1,448,016
<b><u>MSHDA Permanent HOME Loan:</u></b>	\$1,740,692
<b><u>MSHDA Permanent MRF Loan:</u></b>	\$464,470
<b><u>Total Development Cost:</u></b>	\$5,552,820
<b><u>Mortgage Amortization and Term:</u></b>	40 years for the tax-exempt bond loan; 50 years for the MRF and HOME loans
<b><u>Interest Rate:</u></b>	6.25% for the tax-exempt bond loan; 1% simple interest for the HOME loan; 3% simple interest for the MRF loan
<b><u>Program:</u></b>	Tax-Exempt Bond Program
<b><u>Number of Units:</u></b>	23 family units of rehabilitation
<b><u>Accessible Units:</u></b>	10 accessible units
<b><u>Unit Configuration:</u></b>	13 one-bedroom units and 10 two-bedroom units
<b><u>Builder:</u></b>	Wolverine Building Group, Inc.
<b><u>Syndicator:</u></b>	Cinnaire
<b><u>Date Application Received:</u></b>	8/31/2023
<b><u>HDO:</u></b>	Zachary Herrmann

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 existing Authority HOME Loan is no longer within its Period of Affordability; therefore, the existing HOME Loan will be paid off and a new HOME Loan will be issued by the Authority.

The new HOME Loan will bear interest at 1% per annum with a 50-year term.

**EXECUTIVE SUMMARY:**

Genesis Nonprofit Housing Corporation I (the “Sponsor”) proposes to renovate Genesis East (the “Development”), a 23-unit permanent supportive housing (“PSH”) development in the City of Kentwood, Kent County, Michigan. The five-building development was constructed in 2000 with thirteen (13) one-bedroom units and ten (10) two-bedroom units, to serve persons with disabilities or special needs. Genesis East was first financed with 9% Low Income Housing Tax Credits (“LIHTC”) from the Authority’s PSH set-aside. All 23 units in the Development will continue to be provided with deep rental subsidy through a Project-Based Voucher (“PBV”) Housing Assistance Payment (“HAP”) Contract from the Authority.

The Sponsor and development team have experience working on Authority-financed developments, and the Sponsor has other properties already in the Authority’s portfolio.

This Development will benefit the Authority by rehabilitating 23 PSH units in an area of need for affordable housing and creating \$3,653,178 in new Authority permanent loans.

Based on the Development’s low vacancy rate history and all 23 units continuing to receive rental subsidy from the Authority, this proposed rehabilitation offers little risk to the Authority.

**Structure of the Transaction and Funding:**

There are several elements to this transaction that are common to preservation transactions:

- A tax-exempt bond construction loan (the “Mortgage Loan”) will be provided by the Authority in the amount of \$2,887,466 at 6.25% interest with an 8-month term 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 must be reduced to the permanent loan amount on the first day of the month following the month in which the 8-month construction loan term expires or such later date as is established by an Authorized Officer of the Authority (the “Permanent Financing Date”).
- A tax-exempt permanent Mortgage Loan will be provided by the Authority in the amount of \$1,448,016. The permanent loan amount is based upon 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 1.20 debt service coverage ratio, an annual interest rate of 6.25%, with a fully amortizing term of 40 years commencing on the Permanent Financing Date. The permanent Mortgage Loan will be in **First Position**.

**Mortgage Loan Feasibility/Commitment Staff Report**  
**Genesis East, MSHDA No. 1437-2**  
**City of Kentwood, Kent County**  
**March 20, 2025**

- A permanent subordinate loan using Authority MRF funds (the “MRF Loan”) in the amount of \$464,470 will be provided at 3% simple interest with payments initially deferred. The MRF Loan will be in **Second Position**.
- A permanent subordinate loan using HOME funds (the “HOME Loan”) in the amount of \$1,740,692 will be provided at 1% simple interest with payments initially deferred. The subordinated HOME Loan will be in **Third Position**.
- Equity support comes from an investment related to the 4% LIHTC in the estimated amount of \$1,746,326.
- Income from operations will be used as a source of funding to make the interest only payments and the tax and insurance payments during the construction period in the amount of \$45,640.
- The Sponsor has agreed to defer \$90,964 of the developer fee to fill the remaining funding gap.
- An amount of \$28,828, equal to one month’s gross rent potential, will be funded in the Development’s operating account.
- All 23 units in the Development will be provided with deep rental subsidy through a PBV HAP Contract from the Authority.
- 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.
- The Development will be renovated, and a new replacement reserve requirement will be imposed, based upon a capital needs assessment (“CNA”), to ensure an extension of the useful life of the property and to maintain an excellent quality of life for the residents. At mortgage loan closing, the Mortgagor must deposit the amount determined necessary to satisfy the requirements of the Authority-approved CNA over a 20-year period. This reserve will be held by the Authority.
- Existing Replacement Reserve funds in the amount identified in the attached proforma will be used as a source of funding.
- Tax and insurance escrow monies in the amount identified in the attached proforma will be transferred from the existing project to the new project to fund a new tax and insurance escrow account.

**Scope of Rehabilitation:**

The following improvements to the property are included in the Scope of Work:

- Update landscaping throughout site
- Replace damaged concrete sidewalks as needed

- Resurface entire parking lot
- Replace exterior lighting throughout the site
- Replace vinyl siding on all buildings
- Replace gutters, downspouts and splash blocks
- Replace exterior porch railings
- Replace exterior entry doors
- Replace flooring in all units and common areas
- Repaint walls and ceilings in all units and common areas
- Replace existing window treatments in all units
- Replace bathroom cabinets, countertops, and fixtures
- Replace kitchen cabinets, countertops and appliances
- Replace all existing heating units with forced-air high-efficiency units
- Replace all central air units
- Replace unit thermostats
- Replace all water heaters
- Replace all interior light fixtures
- Replace intercom systems for each building
- Replace smoke/carbon monoxide detectors
- Install a new security/surveillance system

Roof replacement was completed in 2019, and window replacement was completed prior to 2018. Per the CNA that was completed on May 16, 2023, roofs and windows are still in good condition and do not need to be replaced.

**Affordability Requirements:**

The Authority's tax-exempt bond regulatory agreement will require that all the dwelling units in the property remain occupied by households with incomes at or below 60% of the Multifamily Tax Subsidy Project ("MTSP") income limit, adjusted for family size. The number of restricted units is controlled by the number of eligible households in place at closing, estimated to be 100% of the units. All twenty-three (23) units will be further restricted to the income limits required by the PBV HAP Contract.

**Protections for Existing Residents:**

The preservation and renovation of the Development will not result in a rent increase for the existing tenants. There will be no tenant displacement as a result of this transaction.

**Site Selection:**

The site has been reviewed by Authority staff, and the Authority's Manager of the Office of Market Research has indicated that the site meets the Authority's 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.

**Valuation of the Property:**

An appraisal dated September 27, 2022, estimates the value of the building at \$2,010,000.

**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, the existing Mortgagor (Genesis Limited Dividend Housing Association Limited Partnership I, the "Seller") 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) general partner capital contributions; and (v) any interest earned on an equity escrow held by the Authority (estimated to be a total of \$1,746,326). All such payments shall be referred to as "Limited Dividend Payments." The Mortgagor's return shall be fully cumulative. If Authority subordinate loans 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 subordinate loans 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 23 units of this proposal are as follows:

- a. 10 units (6 one-bedroom and 4 two-bedroom units) have been designated as Low-HOME units and during the Period of Affordability required under the HOME program (15 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.
- b. 23 units (13 one-bedroom units and 10 two-bedroom units) must be occupied or available for occupancy by households whose incomes do not exceed the income limits in the PBV HAP Contract for so long as the PBV HAP Contract between the Mortgagor and the Authority is in effect (including extensions and renewals), or for such longer period as determined by HUD.
- c. 23 units (13 one-bedroom units and 10 two-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.

To the extent units within the Development are subject to multiple sets of income limits, the most restrictive income limits will apply so long as the applicable term of affordability continues.

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.

**3. Limitations on Rental Rates:**

The Total Housing Expense (contract rent plus tenant-paid utilities) for 23 units is subject to the following limitations:

- a. During the Period of Affordability required under the HOME program (15 years), the Total Housing Expense for the 10 Low-HOME units may not exceed the “Low-HOME Rent Limit” for the unit established and published annually by HUD.
- b. So long as the PBV HAP Contract remains in effect, the Mortgagor agrees to establish and maintain rents ("Contract Rents") for all 23 PBV HAP-Assisted units that comply with the rent levels established by the PBV HAP Contract and that do not exceed the rent levels approved by HUD.
- c. The Total Housing Expense for all 23 units, may not exceed one-twelfth (1/12<sup>th</sup>) of 30% of the 60% 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.

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 non-PBV-Assisted 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. Exceptions to these limitations may be granted by the Authority'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 Authority PBV-assisted units must also be requested to the assigned PBV Specialist per guidance outlined on the Authority/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 20<sup>th</sup> 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.

**6. Operating Assurance Reserve:**

At Initial Closing, the Mortgagor shall fund an OAR in the amount equal to 4 months of estimated Development operating expenses (estimated to be \$108,935). 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:**

At Initial Closing, the Mortgagor must establish a replacement reserve fund (“Replacement Reserve”) with an initial deposit in an amount of \$17,530 per unit (for a total initial deposit of \$403,195). The Mortgagor must agree to make 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. One Month’s Gross Rent Potential:**

At Initial Closing, the Mortgagor shall deposit an amount equal to one month’s gross rent potential (\$28,828) into the Development’s operating account.

**9. Authority Subordinate Loan(s):**

At Initial Closing, the Mortgagor must enter into written agreements relating to the permanent MRF and HOME Loans. The MRF and HOME Loans will each be secured by a subordinate mortgage. The HOME Loan will bear simple interest at 1% with a 50-year term, and the MRF Loan will bear simple interest at 3% with a 50-year term. No loan payments will be required on either the MRF or HOME Loans 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 13<sup>th</sup> year following the commencement of amortization of the Tax-Exempt Mortgage Loan. Interest will continue to accrue on each loan until paid in full.

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 13<sup>th</sup> year following the date that Mortgage Loan amortization commences, repayment of the MRF and HOME Loans will commence according to the following:

- So long as the Mortgage Loan and the MRF Loan remain outstanding, then repayment of the MRF loan will be made from fifty percent (50%) of any surplus cash available for distribution (“Surplus Funds”), applied first to accrued interest, then to current interest and principal, and no payments will be required on the HOME Loan.
- If the MRF Loan is repaid in full while the Mortgage Loan remains outstanding, then upon repayment of the MRF Loan, repayment of the HOME Loan will commence and be made from fifty percent (50%) of Surplus Funds, applied first to accrued interest, then to current interest and principal.

- Upon payment in full of the Mortgage Loan, if both the MRF and HOME Loans remain outstanding, then the outstanding balance of the MRF 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 on the HOME Loan will commence and be made from fifty percent (50%) of Surplus Funds, applied first to accrued interest, then to current interest and principal.
- Upon payment in full of both the Mortgage and MRF Loans, the outstanding balance of the HOME 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.

The entire principal balance and any accrued interest of the MRF and HOME Loans will be due and payable after 50 years.

Notwithstanding the foregoing, in the event of any sale or refinance of the Development, the MRF and HOME Loans will be due and payable at that time.

**10. 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.

**11. 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 Chief Legal Affairs Officer.

**12. Trade Payment Breakdown:**

Prior to Mortgage Loan Commitment, the general contractor must submit a signed Trade Payment Breakdown acceptable to the Authority's Chief Construction Manager.

**13. 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.

**14. Equal Opportunity and Fair Housing**

Prior to Mortgage Loan Commitment, the management and marketing agent's Affirmative



**Mortgage Loan Feasibility/Commitment Staff Report**  
**Genesis East, MSHDA No. 1437-2**  
**City of Kentwood, Kent County**  
**March 20, 2025**

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.

**15. 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).

**16. 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 Chief Legal Affairs Officer.

**17. 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 Chief Legal Affairs Officer. The updated title commitment must contain only exceptions to the insurance acceptable to the Authority's Chief Legal Affairs Officer.

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 Chief Legal Affairs Officer.

**18. Organizational Documents/Equity Pay-In Schedule:**

Prior to Mortgage Loan Commitment, the Mortgagor must submit a substantially final form syndication partnership agreement, including an equity pay-in schedule, that is acceptable in form and substance to the Director of Development and Chief Legal Affairs Officer.

At or prior to Initial Closing, the final, executed syndication partnership agreement must become effective, and the initial installment of equity must be paid in an amount approved by the Director of Development.

**19. Designation of Authority Funds:**

The Authority reserves the express right, in its sole discretion, to substitute alternate subordinate funding sources.

**20. 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/Construction Transition Plan

**21. 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 recapture liability, 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.

**22. 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.

**23. Future Contributions:**

To ensure the Authority is contributing the least amount of funding necessary to achieve project feasibility, any decrease in Development costs or any future equity sources 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.

**24. Seller Responsibilities & Surplus Cash/Cumulative Limited Dividend Payment Waiver:**

The Seller is responsible for all Development payables due up to the date that Seller's loan is repaid, and ownership of the Development is transferred to Buyer (the "Closing Date"). The Seller must settle its accounts payable on or before the Closing Date and reconcile those amounts in a manner acceptable to the Authority's Director of Asset Management. Within thirty (30) days after the Closing Date, the Seller must submit copies of records and other documents as required by the Authority's Asset Management Division

to account for any surplus cash that the Seller may be holding and must remit that cash to the Authority.

The Seller must waive any and all rights to any limited dividend payments, unpaid or accrued, cumulative or noncumulative, to which it may have been entitled for the time prior to and including the Closing Date.

**25. Transfer and Ownership of Development Reserves:**

At Initial Closing, the Development's existing tax and insurance escrows will be transferred to the account of the Mortgagor. In addition, 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 Chief Legal Affairs Officer.

**26. HAP Extension:**

At Initial Closing, the Mortgagor must enter into an agreement to apply for and accept any HAP or other HUD subsidy extensions available in the future, subject to Authority approval.

**27. Services for Residents:**

All 23 units in the Development will be designated as PSH units and must be marketed to persons with disabilities or special needs 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 PBV HAP contract. The agreement must be acceptable to the Chief Legal Affairs Officer. The cost of these services must be paid from other than loan proceeds, Development operating income and residual receipts

**28. 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.

**29. 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.

**30. 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.

**31. Uniform Relocation Act Compliance:**

If the Development is occupied at Initial Closing and any occupants of the Development will be displaced and/or relocated as a result of the rehabilitation of the Development, then the Mortgagor and/or the Sponsor shall ensure compliance with all requirements of the Uniform Relocation Act and implementing regulations as set forth in 24 CFR Part 42 and 49 CFR Part 24, as well as 24 CFR §570.606. Such compliance shall be at the Mortgagor's or Sponsor's sole cost and expense. Prior to Final Closing, the Mortgagor must submit documentation that it has complied with all requirements of the Uniform Relocation Act. This documentation must be found acceptable by the Authority's Director of Development.

**Special Conditions:**

**1. Legal Requirements:**

The Mortgagor and/or Sponsor must submit documentation acceptable to the Authority's Chief Legal Affairs Officer 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 Chief Legal Affairs Officer its recommendation.
- Any other documentation as required by the Chief Legal Affairs Officer, including acceptable evidence of insurance, permits, licenses, zoning approvals, utility availability, payment and performance bonds and other closing requirements.

**DEVELOPMENT TEAM AND SITE INFORMATION**

**I. MORTGAGOR:** Genesis East Redevelopment Limited Dividend Housing Association LLC

**II. GUARANTOR:**

**Name:** Genesis Nonprofit Housing Corporation I  
**Address:** 2110 Leonard NE  
Grand Rapids, MI 49504

**III. DEVELOPMENT TEAM ANALYSIS:**

**A. Sponsor:**

**Name:** Genesis Nonprofit Housing Corporation I  
**Address:** 2110 Leonard NE  
Grand Rapids, MI 49504

**Mortgage Loan Feasibility/Commitment Staff Report**  
**Genesis East, MSHDA No. 1437-2**  
**City of Kentwood, Kent County**  
**March 20, 2025**

**Individuals Assigned:** John Wynbeek  
**Telephone:** (616) 752-9501  
**E-mail:** jwynbeek@genesishnphc.org

1. **Experience:** The Sponsor has experience working on Authority-financed developments.
2. **Interest in the Mortgagor and Members:** Genesis East MM LLC (100%)

**B. Architect:**

**Name:** DeStigter Architecture LLC  
**Address:** 18 Goodrich SW  
Grand Rapids, MI 49503

**Individual Assigned:** Kim David DeStigter  
**Telephone:** (616) 458-5620  
**E-Mail:** sheila@destigterarchitecture.com

1. **Experience:** Architect has previous experience with Authority-financed developments.
2. **Architect's License:** License number 1301031178, exp. 11/01/2025.

**C. Attorney:**

**Name:** Orlebeke Mackraz PC  
**Address:** 80 Ottawa Avenue NW, Suite 400  
Grand Rapids, MI 49503

**Individual Assigned:** Tim Orlebeke  
**Telephone:** (616) 235-5200  
**E-Mail:** tim@omlawgroup.com

1. **Experience:** This firm has experience in closing Authority-financed developments.

**D. Builder:**

**Name:** Wolverine Building Group, Inc.  
**Address:** 4045 Barden SE  
Grand Rapids, MI 49512

**Individual Assigned:** Brian Steinberg  
**Telephone:** (616) 281-6467  
**E-mail:** bsteinberg@wolvgroup.com

1. **Experience:** The firm has previous experience in constructing Authority-financed developments.

2. **State Licensing Board Registration:** License number 2102199076, with an expiration date of 05/31/2025.

**E. Management and Marketing Agent:**

**Name:** KMG Prestige, Inc.  
**Address:** 102 South Main Street  
Mt Pleasant, MI 48858

**Individual Assigned:** Paul Spencer  
**E-mail:** reporting@kmgprestige.com

1. **Experience:** This firm has significant experience managing Authority-financed developments.

**F. Consultant**

**Name:** Mosaic Community Advisors LLC  
**Address:** 80 Ottawa Avenue NW, Suite 400  
Grand Rapids, MI 49503

**Individual Assigned:** Tom Caldwell  
**Telephone:** (517) 242-1337  
**Email:** tom@mosaicca.co

1. **Experience:** The firm/individual has previous experience in consulting with Authority-financed developments.

**G. Development Team Recommendation: Acceptable**

**IV. SITE DATA:**

- A. Land Control/Purchase Price:**  
Purchase agreement dated January 20, 2023, between Genesis East Redevelopment Limited Dividend Housing Association LLC (“Buyer”) and Genesis Limited Dividend Housing Association Limited Partnership I (“Seller”) states the purchase price to be \$2,010,000.

- B. Site Location:**  
4366 Walnut Hills Dr. SE (office); 4358 Walnut Hills Dr. SE; 4364 Walnut Hills Dr. SE; 4380 Walnut Hills Dr. SE; 4382 Walnut Hills Dr. SE; 2745 44th Street SE, City of Kentwood, Kent County, Michigan

- C. Size of Site:**  
1.93 +/- acres

- D. Density:**  
Appropriate

**E. Physical Description:**

1. Present Use: Multi-Family Housing
2. Existing Structures: Five buildings
3. Relocation Requirements: There will be no permanent relocation because of this transaction.

**F. Zoning:**

The Development is located in the High Density Residential (R4) zoning district under the City of Kentwood Zoning Ordinance. The use of the property, the structures, and other improvements are legally conforming under the current zoning ordinance.

**G. Contiguous Land Use:**

1. North: Multi-Family Residential Neighborhood
2. South: 44<sup>th</sup> Street SE, Crestwood Middle School, Single-Family and Multi-Family Residential
3. East: Single-Family and Multi-Family Residential Properties
4. West: Walnut Hills Dr SE / Office Building

**H. Tax Information:**

The City of Kentwood has approved a 6% PILOT for the Development.

**I. Utilities:**

Electricity – Consumers Energy  
Water/Sewer – City of Kentwood, City of Wyoming, and City of Grand Rapids  
Fuel – DTE

**J. Community Facilities:**

1. Shopping:

There are several shopping centers located within five miles of the Development: Horrocks Market (0.8 miles), Whole Foods Market (3.0 miles), Woodland Mall (3.3 miles), Meijer (3.5 miles), Trader Joes (3.9 miles), Target (4.9 miles).

2. Recreation:

There are several recreational venues located within five miles of the Development: Stanaback Park (0.9 miles), Kent District Library - Kentwood (1.0 miles), Music Lessons for Less (2.6 miles), Ken-O-Shay Park (3.1 miles), Indian Trails Golf Course (3.4 miles), East Paris Nature Park (3.7 miles).

3. Public Transportation:

The Development fronts 44<sup>th</sup> Street SE, which is located on The Rapid - Bus #44 Route, which connects Kentwood (southeast of Grand Rapids) to Grandville (southwest of Grand Rapids).

4. Road Systems  
The Development fronts 44<sup>th</sup> Street SE, which is a main thoroughfare that runs east-west. Access to State Highway 6 is located 4.1 miles of the Development. Access to US Highway 131 is located 4.2 miles from the Development. Access to I-96 is located 5.2 miles from the Development.
5. Medical Services and other Nearby Amenities:  
There are numerous medical centers and pharmacies located within four miles of the Development: Walgreens Pharmacy (0.5 miles), GR Family Dental (0.5 miles), Kentwood Family Medicine (0.6 miles), Hometown Pharmacy - Grand Rapids (1.6 miles), Concentra Urgent Care (2.9 miles), AFC Urgent Care Grand Rapids (3.1 miles). Corewell Health Grand Rapids – Blodgett Hospital (5.5 miles) is the nearest full-service hospital. Gerald R. Ford International Airport is located 2.9 miles from the Development.
6. Description of Surrounding Neighborhood:  
The surrounding neighborhood is a mixture of mostly multi-family residential, single-family residential and commercial uses with some educational uses.
7. Local Community Expenditures Apparent:  
Nonapparent
8. Indication of Local Support:  
The City of Kentwood has approved a 6% PILOT for the Development.

**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.16).

**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 Manager of the Office of Market Research and found to be acceptable. The Authority's Manager of the Office of Market Research 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 Chief 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:	March 2025
B. Initial Closing and Disbursement:	June 2025
C. Construction Completion:	January 2026
D. Cut-Off Date:	January 2026

**XII. ATTACHMENTS:**

- A. Development Proforma

**APPROVALS:**

*Chad A Benson* 3/12/2025  
\_\_\_\_\_  
Chad Benson Date  
Director of Development

*Anthony Lentych* 3/12/2025  
\_\_\_\_\_  
Tony Lentych Date  
Chief Housing Investment Officer

*Clarence L. Stone, Jr.* 3/12/2025  
\_\_\_\_\_  
Clarence L. Stone, Jr. Date  
Chief Legal Affairs Officer

*Amy Hovey* 03/13/2025  
\_\_\_\_\_  
Amy Hovey Date  
Chief Executive Officer and Executive Director

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**  
**RESOLUTION DETERMINING MORTGAGE LOAN FEASIBILITY**  
**GENESIS EAST, MSHDA DEVELOPMENT NO. 1437-2**  
**CITY OF KENTWOOD, KENT COUNTY**

**March 20, 2025**

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 Genesis Nonprofit Housing Corporation I (the "Applicant") for a multifamily housing project to be located in the City of Kentwood, Kent County, Michigan, having an estimated total development cost of Five Million Five Hundred Fifty-Two Thousand Eight Hundred Twenty Dollars (\$5,552,820), a total estimated maximum mortgage loan amount of Two Million Eight Hundred Eighty-Seven Thousand Four Hundred Sixty-Six Dollars (\$2,887,466), a HOME Investment Partnerships Program loan in the amount of One Million Seven Hundred Forty Thousand Six Hundred Ninety-Two Dollars (\$1,740,692), and a Mortgage Resource Fund loan in the amount of Four Hundred Sixty-Four Thousand Four Hundred Seventy Dollars (\$464,470) (hereinafter referred to as the "Application"); and

WHEREAS, a housing association to be formed by the Applicant may become eligible to receive a mortgage loan from the Authority under the provisions of the Act and the Authority's General Rules; 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 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. A mortgage loan, or a mortgage loan not made by the Authority that is a federally-aided mortgage, can reasonably be anticipated to be obtained to provide financing for the proposed housing project.
- e. The proposed housing project is a feasible housing project.
- f. The Authority expects to allocate to the financing of the proposed housing project proceeds of its bonds issued or to be issued for multifamily housing projects a maximum principal amount not to exceed Three Million Four Hundred Fifty Thousand Three Hundred Fifty-Nine Dollars (\$3,450,359).

2. The proposed housing project be and it is hereby determined to be feasible for a mortgage loan 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 Chief Legal Affairs Officer, the Director of In-House Legal Services, the Director of Legal Transactions, the Chief Financial Officer, the 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 conditions set forth in the Mortgage Loan Feasibility/Commitment Staff Report dated March 20, 2025, which conditions are hereby incorporated by reference as if fully set forth herein.

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**

**RESOLUTION AUTHORIZING MORTGAGE LOANS  
GENESIS EAST, MSHDA DEVELOPMENT NO. 1437-2  
CITY OF KENTWOOD, KENT COUNTY**

**March 20, 2025**

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 Genesis Nonprofit Housing Corporation I (the "Applicant") for a construction mortgage loan in the amount of Two Million Eight Hundred Eighty-Seven Thousand Four Hundred Sixty-Six Dollars (\$2,887,466), and a permanent mortgage loan in the amount of One Million Four Hundred Forty-Eight Thousand Sixteen Dollars (\$1,448,016), for the construction and permanent financing of a multi-family housing project having an estimated total development cost of Five Million Five Hundred Fifty-Two Thousand Eight Hundred Twenty Dollars (\$5,552,820), to be known as Genesis East, located in the City of Kentwood, Kent County, Michigan, and to be owned by Genesis East Redevelopment Limited Dividend Housing Association LLC (the "Mortgagor"); and

WHEREAS, the Applicant has also requested a Mortgage Resource Fund ("MRF") loan in the estimated amount of Four Hundred Sixty-Four Thousand Four Hundred Seventy Dollars (\$464,470) (the "MRF Loan") and a mortgage loan under the HOME Investment Partnerships Program using HOME funds in the estimated amount of One Million Seven Hundred Forty Thousand Six Hundred Ninety-Two Dollars (\$1,740,692) (the "HOME Loan", and together with the MRF Loan, the "Subordinate Loans"); 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 or rehabilitation 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. A construction and permanent mortgage loan (the "Mortgage Loan") be and it hereby is authorized and the Chief Executive Officer and Executive Director, the Chief Housing Investment Officer, the Chief Legal Affairs Officer, the Director of In-House Legal Services, the Director of Legal Transactions, the Chief Financial Officer, the 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 financing of the proposed housing project in an amount not to exceed Two Million Eight Hundred Eighty-Seven Thousand Four Hundred Sixty-Six Dollars (\$2,887,466), and permanent financing in an amount not to exceed One Million Four Hundred Forty-Eight Thousand Sixteen Dollars (\$1,448,016), and to have a term of forty (40) years after amortization of principal commences and to bear interest at a rate of six and 25/100 percent (6.25%) 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 Three Million Four Hundred Fifty Thousand Three Hundred Fifty-Nine Dollars (\$3,450,359). Any Authorized Officer is hereby authorized to modify or waive any condition or provision contained in the Commitment.

3. The MRF 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 MRF Loan (together with the Commitment for the Mortgage Loan, the "Mortgage Loan Commitment") in the estimated amount of Four Hundred Sixty-Four Thousand Four Hundred Seventy Dollars (\$464,470), and to have a term not to exceed fifty (50) years and to bear interest at a rate of three percent (3%) per annum.

4. 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.

5. 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.

6. 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.

7. 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. Following the payment in full of the Subordinate Loans, the Mortgagor's rate of return may be increased by one percent (1%) annually until a cap of twenty-five percent (25%) is reached.

8. 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 March 20, 2025, 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:** March 20, 2025

**RE:** Auburn Place Development No. 4118

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### RECOMMENDATION

I recommend that the Michigan State Housing Development Authority (the "Authority" or "MSHDA") adopt resolutions that 1) determine Mortgage Loan Feasibility as to the following proposal, 2) authorize tax-exempt bond mortgage loans in the amounts set forth in this report, 3) authorize the grant in the amount set forth in this report, 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.

### PROJECT SUMMARY

MSHDA No:	4118
Development Name:	Auburn Place
Development Location:	City of Pontiac, Oakland County
Sponsor:	South Oakland Shelter dba Lighthouse
Mortgagor:	Auburn Place Limited Divided Housing Association LLC
Number of Units (Affordable):	54 Units
Number of Units Designated for Accessible Use:	11 accessible units
Total Development Cost:	\$30,095,070
TE Bond Construction Loan:	\$15,649,436
TE Bond Permanent Loan:	\$3,234,367
MSHDA Gap Funds (HOME-ARP Loan):	\$7,500,000
MSHDA Gap Financing Grant (HOME-ARP):	\$3,661,306
Other Funds:	
Equity Contribution from Tax Credit:	\$12,130,745
Sponsor Note:	\$1,745,540
County of Oakland HOME Loan:	\$1,500,000
Deferred Developer Fee:	\$323,112



## **EXECUTIVE SUMMARY**

Auburn Place is a new construction development located at 454 Auburn Avenue in Pontiac. The site is 1.34 acres in size and will be developed into a 54-unit apartment building. This will include 46 one-bedroom units and 8 two-bedroom units. The project will set-aside 54 Permanent Supportive Housing units that have an occupancy preference for households that are experiencing literal homelessness. 30 units will receive Project-Based Vouchers from the Authority. The remaining 24 units will have Project Based Vouchers from the Pontiac Housing Commission and will be targeted to HOME-ARP qualifying populations.

The Sponsor, Lighthouse, was established in 2019 when Lighthouse of Oakland County (“LOC”) and South Oakland Shelter (“SOS”) combined and merged . LOC was founded in 1972 and started with a group of volunteers who provided food and clothing from the back door of a local church. SOS was established in 1985 by seven religious’ congregations in Oakland County. The newly combined Lighthouse leverages the best of both agencies, providing direct services (food, shelter, rental/utility and other financial assistance, crisis referrals), stability and housing programs that develop and support self-sufficiency. Serving Oakland County with over 80 years of combined experience, Lighthouse is committed to ensuring all people in the community have a safe and secure place to call home.

The Sponsor is requesting a tax-exempt bond mortgage loan and a HOME-ARP loan and grant; it is providing nearly \$1.8 million in a sponsor loan. Additional sources of financing include low-income housing tax credit investment and deferred developer fees.

## **ADVANCING THE AUTHORITY’S MISSION**

Auburn Place will be located in Region L of the Statewide Housing Plan Regional Housing Partnerships, and this development supports the following goals of the Region L 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 3.1: Improve the quality of the homelessness response system to be client-centered, flexible, grounded in respect, trauma informed, and aware and inclusive of the cultural values, beliefs, and practices of those they serve.
- Goal 3.4: Increase cross-system partnerships to strengthen the homelessness response system, achieve greater housing stability, and impact social determinants of health.
- Goal 4.1: Increase the supply of the full spectrum of housing that is affordable and attainable to Michigan residents.

## **MUNICIPAL SUPPORT**

Oakland County has provided a \$1,500,000 HOME Investment Partnerships loan. The Oakland County Brownfield Redevelopment Authority approved the Beacon Place brownfield plan for Tax Increment Financing (“TIF”). While Auburn Place is included in the Beacon Place Brownfield Plan for TIF, Auburn Place has a separate work plan and reimbursement agreement.

## **COMMUNITY ENGAGEMENT/IMPACT**

The Sponsors engaged the community by holding meetings with the community at the local hall. The community members received a broad overview of the anticipated project and what it means for residents within the current buildings as well as the community at large.

The community recommended the need for additional units and appreciated the Lighthouse for holding meetings with the goal of bringing more affordable housing to the area.

The development team has implemented community recommendations to keep neighbors apprised of the development and project timeline. Lighthouse will also provide a contact person that citizens can contact should they have questions or concerns.

The Development will impact the community by bringing an aesthetic value to the surrounding neighborhood, due to the Development being new construction. Currently, this is a vacant lot on a well-traveled major road within the City of Pontiac. The impact for this community will be an increased number of much needed attainable housing units for the community and individuals seeking residency in the Pontiac area.

## **RESIDENT IMPACT**

- Vacant Parcel.

## **ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS**

At this time, the City of Pontiac is not allowing PILOT agreements for affordable housing projects. As the Development will not have a PILOT, the Development must be underwritten paying full ad valorem taxes. To help defray the burden of paying full ad valorem taxes, the Sponsor has sought and has been approved for an Oakland County Brownfield Redevelopment Authority ("OCBRA") Brownfield Redevelopment Plan.

The Brownfield Redevelopment Financing Act, Public Act 381 of 1996, MCL 125.2651 et. seq., as amended (the "Brownfield Act"), permits the use of tax increment financing ("TIF") as a funding tool to help develop projects that would otherwise not be financially viable. When a brownfield redevelopment has increased property value and generates new tax revenue, the added tax revenue, or increment, can be "captured" by a local brownfield redevelopment authority ("BRA") for a defined period of time. The tax increment revenues captured, or a predetermined percent thereof, may be used to make annual payments to the developer over the term of the capture period to reimburse them for advances to pay for eligible housing development activities associated with redeveloping the property ("Eligible Costs"). These payments are subject to an Annual Brownfield Reimbursement Agreement ("ABRA") between the municipality or BRA and an owner or developer of an eligible property for repayment of advances for Eligible Costs pursuant to the Brownfield Act.

On July 19, 2023, Public Act 90 of 2023 ("PA 90") became effective and amended the Brownfield Act to include certain housing development activities as eligible activities. PA 90 requires the Authority to review work plans with TIF activities that include affordable or subsidized housing, where the developer is requesting reimbursement for qualifying housing development activities.

Eligible Costs that may be reimbursed under the ABRA are determined by the BRA pursuant to a work plan approved by the Authority.

For Auburn Place, such income will be derived from the capture of property taxes pursuant to the ABRA and will be secured by a collateral assignment of the ABRA payments (“ABRAP”) to the Authority. This income has been included in the underwriting for the feasibility of the Authority tax-exempt bond loan. The projected TIF tax capture will commence upon construction completion and will continue for a thirty (30) year period. Auburn Place is made of two non-contiguous parcels, each of which will have a separate TIF capture and collateral assignment of its respective ABRAP to the Authority.

The Authority’s Multifamily Direct Lending Parameters, at Section I.2, encourage the use of a PILOT as means of addressing the tax burdens on affordable housing, and provide for ad valorem property tax in the alternative. As to this Development, TIF capture is projected to sufficiently support the long-term feasibility of the project in the absence of a PILOT agreement.

The Authority will provide a HOME-ARP forgivable grant in the amount of \$3,661,306. The Authority will consider the HOME-ARP grant forgivable upon the completion of a fifteen (15) year compliance period following the date the mortgage loan amortization commences.



## MORTGAGE LOAN FEASIBILITY/COMMITMENT STAFF REPORT

March 20, 2025

### RECOMMENDATION:

I recommend that the Michigan State Housing Development Authority (the "Authority" or "MSHDA") adopt resolutions that 1) determine Mortgage Loan Feasibility as to the following proposal, 2) authorize tax-exempt bond and mortgage loans in the amounts set forth in this report, and 3) 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.

<b><u>MSHDA No.:</u></b>	4118
<b><u>Development Name:</u></b>	Auburn Place
<b><u>Development Location:</u></b>	City of Pontiac, Oakland County
<b><u>Sponsor:</u></b>	South Oakland Shelter dba Lighthouse
<b><u>Mortgagor:</u></b>	Auburn Place Limited Divided Housing Association LLC
<b><u>TE Bond Construction Loan:</u></b>	\$15,649,436 (52.00% of TDC)
<b><u>TE Bond Permanent Loan:</u></b>	\$3,234,367
<b><u>MSHDA Permanent HOME-ARP Loan:</u></b>	\$7,500,000
<b><u>MSHDA HOME-ARP Grant:</u></b>	\$3,661,306
<b><u>Total Development Cost:</u></b>	\$30,095,070
<b><u>Mortgage Amortization and Term:</u></b>	30 years for the tax-exempt bond loan; 30 years for the HOME-ARP loan
<b><u>Interest Rate:</u></b>	5.625% for the tax-exempt bond loan; 1% simple interest for the HOME-ARP
<b><u>Program:</u></b>	Tax-Exempt Bond and Gap Financing Programs
<b><u>Number of Units:</u></b>	54 family units of new construction.
<b><u>Unit Configuration:</u></b>	46 One-Bedroom Apartments and 8 Two-Bedroom Apartments
Number of Units Designated for Accessible Use:	11 accessible units
<b><u>Builder:</u></b>	O'Brien Construction
<b><u>Syndicator:</u></b>	Alliant Capital, Ltd.
<b><u>Date Application Received:</u></b>	May 1, 2023
<b><u>HDO:</u></b>	Latasha Cole

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:**

At this time, the City of Pontiac is not allowing PILOT agreements for affordable housing projects located in the City of Pontiac. As Auburn Place (the "Development") will not have a PILOT, the Development must be underwritten paying full ad valorem taxes. In order to help defray the burden placed on the Development by the need to pay full ad valorem taxes, the Sponsor has sought and has been approved for an Oakland County Brownfield Redevelopment Authority ("OCBRA") Brownfield Redevelopment Plan.

The Brownfield Redevelopment Financing Act, Public Act 381 of 1996, MCL 125.2651 et. seq., as amended (the "Brownfield Act"), permits the use of tax increment financing ("TIF") as a funding tool to assist in the development of projects that would otherwise not be financially viable. When a brownfield redevelopment has increased property value and generates new tax revenue, the added tax revenue, or increment, can be "captured" by a local brownfield redevelopment authority ("BRA") for a defined period of time. The tax increment revenues captured, or a predetermined percent thereof, may be used to make annual payments to the developer over the term of the capture period to reimburse them for advances to pay for eligible housing development activities associated with redeveloping the property ("Eligible Costs"). These payments are subject to an Annual Brownfield Reimbursement Agreement ("ABRA") between the municipality or BRA and an owner or developer of an eligible property for repayment of advances for Eligible Costs pursuant to the Brownfield Act.

On July 19, 2023, Public Act 90 of 2023 ("PA 90") became effective and amended the Brownfield Act to include certain housing development activities as eligible activities. PA 90 requires the Authority to review work plans with TIF activities that include affordable or subsidized housing, where the developer is requesting reimbursement for qualifying housing development activities. The Eligible Costs that may be reimbursed under the ABRA are determined by the local BRA pursuant to a work plan approved by the Authority.

For Auburn Place, such income will be derived from the capture of property taxes pursuant to the ABRA and will be secured by a collateral assignment of the ABRA payments ("ABRAP") to the Authority. This income has been included within the underwriting for the feasibility of the Authority tax-exempt bond loan. The projected TIF tax capture will commence upon construction completion and will continue for a thirty (30) year period. Auburn Place consists of two non-contiguous parcels each of which will have a separate TIF capture and collateral assignment of its respective ABRAP.

The Authority's Multifamily Direct Lending Parameters, at Section I.2, encourage the use of a PILOT as means of addressing the tax burdens on affordable housing. As to this Development, TIF capture is projected to sufficiently support the long-term feasibility of the Development in the absence of a PILOT agreement.

In addition to a HOME-ARP loan, the Authority will provide a HOME-ARP forgivable grant in the amount of \$3,661,306. The Authority will consider the HOME-ARP grant forgivable upon the completion of a fifteen (15) year HOME-ARP compliance period following the date the mortgage loan amortization commences.

**EXECUTIVE SUMMARY:**

Auburn Place is a new construction development located at 454 Auburn Avenue in Pontiac. The site is 1.34 acres in size and will be developed into a 54-unit apartment building. This will include 46 one-bedroom units and 8 two-bedroom units. The project will set aside 54 Permanent Supportive Housing units that have an occupancy preference for households with the highest vulnerabilities, those that are experiencing literal homelessness (Category 1). 30 units will receive Project-Based Vouchers from the Authority. The remaining 24 units will have Project Based Vouchers from the Pontiac Housing Commission and will be targeted to HOME-ARP qualifying populations (Categories 2 – 4).

The Sponsor, Lighthouse, was established in 2019 when Lighthouse of Oakland County (“LOC”) and South Oakland Shelter (“SOS”) combined and merged agencies. LOC was founded in 1972 and started with a group of volunteers who provided food and clothing from the back door of a local church. SOS was established in 1985 by seven religious congregations in Oakland County. The newly combined Lighthouse leverages the best of both agencies, providing direct services (food, shelter, rental/utility and other financial assistance, crisis referrals) and stability and housing programs that develop and support self-sufficiency.

Serving Oakland County with over 80 years of combined experience, Lighthouse is committed to ensuring all people in the community have a safe and secure place to call home. Lighthouse’s focus on affordable and quality housing as a primary solution to complex needs and has had a strong impact throughout the region. Lighthouse implements housing-first programming, operates a rotating shelter, and provides various supportive services that move people experiencing housing crises to long-term stability. Lighthouse’s housing programs provide long-term housing and short- to medium-term rental assistance to displaced households, preventative services for those at-risk of eviction, and most importantly ongoing support services. Lighthouse operates ongoing permanent supportive housing for over 100 individuals each year.

The Sponsor is requesting a tax-exempt bond mortgage loan, HOME-ARP funding, and are also providing nearly \$1.8 million in a sponsor loan. Additional sources of financing include low-income housing tax credit investment and deferred developer fees.

### **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 \$15,649,436 at 5.625% interest with a 23-month term (a 17-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 23-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 \$3,234,367. The permanent loan amount is based upon 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 1.33 debt service coverage ratio, an annual interest rate of 5.625%, with a fully amortizing term of 30 years commencing on

**Mortgage Feasibility/Commitment Staff Report**  
**Auburn Place, MSHDA No. 4118**  
**City of Pontiac, Oakland County**  
**March 20, 2024**

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 Authority HOME ARP Funds (the “HOME ARP Loan”) in the amount of \$7,500,000 will be provided at 1% simple interest with payments initially deferred. The HOME ARP Loan will be in **Second Position**.
- The County of Oakland will provide a HOME Loan in the amount of \$1,500,000. This loan will be in **Third Position**. See Special Condition No. 5.
- A forgivable grant using Authority HOME-ARP Funds in the amount of \$3,661,306 will be provided. See Special Condition No. 5.
- The Sponsor is providing a Sellers Note in the amount of \$1,745,540. See Special Condition No. 4.
- Equity support comes from an investment related to the 4% LIHTC in the estimated amount of \$12,130,745.
- The Sponsor has agreed to defer \$323,112 of the developer fee to help fill the remaining funding gap.
- A six (6) month rent-up allowance in the amount identified in the attached proforma will be required to support interest payments between construction completion and the Mortgage Cut-Off Date, as determined by the Authority.
- A syndicator reserve in the amount of \$126,295 is required by the equity investor for additional operational needs. This reserve will be deposited in the Authority-held OAR upon conversion to the permanent loan. See Special Condition 2.
- 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.
- A five (5) year Ad Valorem Tax Escrow in the amount of \$535,117 will be required to fund projected annual taxes per the cash flow analysis establishing the ad valorem escrow, identified in the attached proforma. This reserve will be necessary to ensure ad valorem taxes are paid such that the projected TIF capture is not jeopardized. This escrow will be capitalized at closing and the annual ABRAP will be deposited into this escrow. This escrow will be held by the Authority. The Borrower may request a review and revision of this escrow if the Borrower determines the escrow is no longer necessary at established levels, subject to discretion of the Authority.
- The Mortgagor will be requesting thirty (30) project-based vouchers from the Authority’s Housing Choice Voucher program. The Housing Assistance Payment (“HAP”) contract will be for an initial term of 20 year with a possible extension of up to 20 years.

- The Pontiac Housing Commission (“PHC”) is providing twenty-four (24) project-based vouchers.
- ABRAP for Auburn Place parcel will be assigned to the Authority. The funds received by the Authority for the ABRAP will be deposited first in the Ad Valorem Tax Escrow. If the Ad Valorem Tax Escrow is, in the Authority’s determination, sufficiently funded to cover any upcoming projected five years of ad valorem taxes for the Development, any excess ad valorem tax escrow funds will be transferred to the OAR. Funds in the Ad Valorem Reserve to be held and disbursed by the Authority in compliance with Authority policy.

**Site Selection:**

The site has been vetted by Authority Staff and the Authority’s Manager of the Office of Market Research has indicated that the site meets the Authority’s 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.

**Valuation of the Property:**

An appraisal dated July 18, 2023, estimates the value of the vacant land at \$440,000.

**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, as determined by the Authority, payments are limited to twelve percent (12%) of the Mortgagor's equity, or any other amount approved by HUD, but not to exceed twelve percent (12%). Following expiration of the HAP Contract, the Mortgagor's rate of return shall not exceed twenty-five (25%) per annum. 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) general partner capital contributions; and (v) any interest earned on an equity escrow held by the Authority, unless HUD or other federal regulations require a different calculation. All such payments shall be referred to as "Limited Dividend Payments." The Mortgagor's return shall be fully cumulative.

**2. Income Limits:**



The income limitations for 54 units of this proposal are as follows:

- a. One (1) unit has been designated as Low-HOME units and during the Period of Affordability required under the HOME 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.
- b. Three (3) units have been designated as High-HOME units and during the Period of Affordability required under the HOME program (20 years) must be available for occupancy by households whose incomes do not exceed the lesser of 60% of the MTSP income limits or the High HOME income limit, as published by HUD, adjusted for family size.
- c. Twenty-one (21) units have been designated as HOME-ARP units and during the Period of Affordability required under the HOME-ARP program (20 years) must be available for occupancy based on admission from a qualifying population; the HOME-ARP units shall be subject to income limits for Project-Based Vouchers.
- b. Fifty-four (54) units (46 one-bedroom units and 8 two-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.
- c. 30 units (22 one-bedroom units and 8 two-bedroom units) must be occupied or available for occupancy by households whose incomes do not exceed the income limits in the HAP Contract for so long as the HAP Contract between the Mortgagor and the Authority is in effect (including extensions and renewals), or for such longer period as determined by HUD.
- d. 24 units (24 one-bedroom units) must be occupied or available for occupancy by households whose incomes do not exceed the income limits in the PBV HAP Contract for so long as the PBV HAP Contract between the Mortgagor and the PHC is in effect (including extensions and renewals), or for such longer period as determined by HUD.
- e. During the tax capture required by the terms of the ABRA, for TIF purposes, all 54 units in the Development must be rented or available for rental by tenants whose income does not exceed the 120% area median income ("AMI") as determined by HUD, 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 any Authority obligations 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 of the tax capture required by the terms of the ABRA.

As to four (4) units designated as HOME units by nature of the HOME loan from County of Oakland, as well as the twenty (24) units that will receive Project-Based Vouchers (PBVs), the Authority is not responsible for the non-Authority HOME or PBV compliance monitoring nor oversight of the occupancy or the regulations applicable to these HOME and PBV units.

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 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.

**3. Limitations on Rental Rates:**

The Total Housing Expense (contract rent plus tenant-paid utilities) for 54 units is subject to the following limitations:

- a. During the Period of Affordability required under the HOME program (20 years), the Total Housing Expense for the one (1) Low-HOME units may not exceed the "Low-HOME Rent Limit" for the unit established and published annually by HUD.
- b. During the Period of Affordability required under the HOME program (20 years), the Total Housing Expense for the three (3) High-HOME units may not exceed the "High-HOME Rent Limit" established and published annually by HUD.
- c. During the Period of Affordability required under the HOME-ARP program (20 years), the Total Housing Expense for the twenty-one (21) HOME-ARP units may not exceed the income limits for Project-Based Voucher units.
- b. The Total Housing Expense for all 54 units (46 one-bedroom units, and 8 two-bedroom units), may not exceed one-twelfth (1/12<sup>th</sup>) 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.
- c. So long as the HAP Contract between the Mortgagor and the Authority is in effect (including extensions and renewals) remains in effect, the Mortgagor agrees to establish and maintain rents ("Contract Rents") for all 30 HAP-assisted units (22 one-bedroom units, and 8 two-bedroom units) that comply with the rent levels established by the HAP Contract and that do not exceed the rent levels approved by HUD.
- d. So long as the HAP Contract between the Mortgagor and the Pontiac Housing Commission is in effect (including extensions and renewals), remains in effect, the Mortgagor agrees to establish and maintain rents ("Contract Rents") for all 24 HAP-assisted units (24 one-bedroom units) that comply with the rent levels established by the HAP Contract and that do not exceed the rent levels approved by HUD.

As to the four (4) units designated as HOME units are from the County of Oakland, as well as the twenty-four (24) units that will receive Project-Based Vouchers (PBVs), the Authority is not responsible for the compliance monitoring or oversight of the non-Authority HOME or PBV rents charged for or the regulations applicable to these units.

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.

The Mortgagor must further agree that rental increases for targeted units will be limited to not more than 5% for any resident household during any 12-month period.

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. Exceptions to these limitations may be granted by the Authority'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.

**4. Covenant Running with the Land:**

The Mortgagor must subject the Development site to a covenant running with the land 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 20<sup>th</sup>

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 \$244,991) 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.

Additionally, the ABRAP(s) for both Auburn Place parcels will be assigned to the Authority through assignment of the reimbursement agreement to the Authority. The funds received by the Authority for the ABRAP(s) will be deposited first in the Authority-held Ad Valorem Tax Escrow. If the Ad Valorem Tax Escrow is, in the Authority's determination, sufficiently funded to cover any upcoming projected five years of ad valorem taxes for the Development, any excess ad valorem tax escrow overage may be transferred OAR to be held and disbursed by the Authority in compliance with Authority policy. See Special Condition 3.

**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 \$300 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 HOME-ARP Loan. The HOME-ARP Loan will be secured by a subordinate mortgage and will bear simple interest at 1% with a 30-year term. Following the first year after construction completion, repayment of the HOME-ARP Loan will be made from fifty percent (50%) of any surplus cash available for distribution. Such payments shall be applied first to accrued interest, then to current interest and principal. Payments shall continue until the sale of the Development or refinancing of the Mortgage Loan, at which time the HOME-ARP Loan shall be due in full. If the HOME-ARP Loan is still outstanding, then following repayment of the Mortgage Loan and continuing on the first day of every month thereafter, the Mortgagor shall make monthly payments of principal and interest equal to the monthly payments that were required on the Mortgage Loan on the first day of every month until the HOME-ARP Loan is paid in full, the sale of the Development, or the date that is 30 years from date of Initial Closing, whichever occurs first.

**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 Chief Legal Affairs Officer.

**11. Trade Payment Breakdown:**

Prior to Mortgage Loan Commitment, the general contractor must submit a signed Trade Payment Breakdown acceptable to the Authority's Chief 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" approved by the County of Oakland, if requested by the Authority. In addition, the general contractor must agree to adhere to follow-up reporting requirements as established by the County of Oakland. The Authority is not responsible for Section 3 compliance, monitoring, or oversight, which will be performed by the County of Oakland.

**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. 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 City's Housing Choice Voucher Program, however, all necessary documentation and all monitoring and oversight will be handled by the City of Pontiac.

**15. 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).

**16. 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.

**17. 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 Chief Legal Affairs Officer. The updated title commitment must contain only exceptions to the insurance acceptable to the Authority's Chief Legal Affairs Officer.

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 Chief Legal Affairs Officer.

**18. Organizational Documents/Equity Pay-In Schedule:**

Prior to Mortgage Loan Commitment, the Mortgagor must submit a substantially final form syndication partnership agreement, including an equity pay-in schedule, that is acceptable in form and substance to the Director of Development and Chief Legal Affairs Officer.

At or prior to Initial Closing, the final, executed syndication partnership agreement must become effective and the initial installment of equity must be paid in an amount approved by the Director of Development.

**19. Designation of Authority Funds:**

The Authority reserves the express right, in its sole discretion, to substitute alternate subordinate funding sources.

**20. 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

**21. Guaranties:**

At Initial Closing, the Sponsor, Managing Member, 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 recapture liability, 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.

**22. 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.

**23. 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.

**24. 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 Chief Legal Affairs Officer.

**25. HAP Extension:**

At Initial Closing, the Mortgagor must enter into an agreement to apply for and accept any HAP or other HUD subsidy extensions available in the future, subject to Authority approval.

**26. 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 Mortgagor must also provide an AHAP from the PHC. The AHAPs 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.

**27. Services for Residents:**

Fifty-four (54) of the units in the Development will be designated as Permanent Supportive Housing (PSH) units and must be marketed to homeless/on the verge of becoming homeless 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 Chief Legal Affairs Officer. The cost of these services must be paid from other than loan proceeds, Development operating income and residual receipts.

**28. 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.

**29. 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.

**30. 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.

**31. 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.

**32. Uniform Relocation Act Compliance:**

If the Development is occupied at Initial Closing and any occupants of the Development will be displaced and/or relocated as a result of the rehabilitation of the Development, then the Mortgagor and/or the Sponsor shall ensure compliance with all requirements of the Uniform Relocation Act and implementing regulations as set forth in 24 CFR Part 42 and 49 CFR Part 24, as well as 24 CFR §570.606. Such compliance shall be at the Mortgagor's or Sponsor's sole cost and expense. Prior to Final Closing, the Mortgagor must submit documentation that it has complied with all requirements of the Uniform Relocation Act. This documentation must be found acceptable by the Authority's Director of Development.

**Special Conditions:**

**1. Legal Requirements:**

The Mortgagor and/or Sponsor must submit documentation acceptable to the Authority's Chief Legal Affairs Officer 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 Chief Legal Affairs Officer, including acceptable evidence of insurance, permits, licenses, zoning approvals, utility availability, payment and performance bonds and other closing requirements.

Prior to submission the Attorney General's Office the following items must be complete and approved by the Authority:

- The Oakland County Brownfield Redevelopment Authority approved brownfield plan, must be modified to separate into distinguishable brownfield work plans: the Beacon Townhomes parcel and the adjacent vacant parcel (Auburn Place). This modification must be approved by all necessary parties.
- The ABRAPs for the vacant parcel (Auburn Place) must be pledged and assigned to the Authority for the entire BRA-approved tax capture period. The form and substance of the pledge and security assignment documents must be acceptable to the Chief Legal Affairs Officer.
- The Borrower must agree to expend brownfield plan approved eligible costs in not

less than the amount necessary to support the projected final ABRAP for each Development parcel. At least 90 days prior to the Permanent Financing Date, the Borrower must submit all necessary documentation required by the Oakland County BRA to approve the brownfield plan eligible costs for the construction of the Development. The BRA's final determination of the amount of ABRAP must be in an amount acceptable to the Authority. Satisfying of any shortfall in this regard between the BRA's final determination and the Authority's required amount will be the responsibility of the Borrower.

- Borrower must agree in a manner and form acceptable to the Chief Legal Affairs Officer that if the proposed ABRAP(s) are decreased from the current projected amounts, or otherwise result in the Ad Valorem Tax Escrow being insufficient to pay the annually assessed ad valorem taxes, that the Borrower guarantees payment of the ad valorem property taxes.

**2. Syndicator Reserve:**

The Mortgagor shall fund a syndicator held reserve ("Syndicator Reserve") with a one-time deposit in the amount of \$126,295 paid from equity proceeds according to the terms of the Mortgagor's limited partnership agreement. The Syndicator Reserve shall be controlled by the syndicator. The purpose of this reserve will be used in case of operating shortfalls.

**3. TIF Changes Pre-Closing or Post-Closing:**

If prior to submission to the Attorney General's Office for review for initial closing, the projected amount of the ABRAP(s) assigned to the Authority increases or decreases from the current projections used for underwriting purposes, the Authority at the sole discretion of an Authorized Officer of the Authority may re-underwrite the Development to reflect the assigned ABRAP(s) amount(s).

The Development is currently subject to ad valorem property taxes that will be partially reimbursed by an ABRAP. The term of the TIF capture is anticipated to be thirty (30) years. The Development is underwritten with the ad valorem taxes to be paid as shown on the cash flow page of the attached proforma. A five (5) year Ad Valorem Tax Escrow in the amount of \$535,117 will be required to fund projected debt taxes per the cash flow analysis establishing the ad valorem escrow, identified in the attached proforma. This escrow will be capitalized at closing and will be held by the Authority.

If the ABRAP increases such that the Ad Valorem Tax Escrow account balance exceeds the projected five (5) year requirement, the overage in the ad valorem tax escrow may be distributed to the OAR. The Mortgagor may request a review of the Ad Valorem Tax Escrow and any increase to the OAR. The Authority may, in its sole discretion, re-underwrite the Development using the new ABRAP projections. Any savings generated by the ABRAP as a result of the Authority's re-underwriting of the Development may be distributed from the OAR, at the sole discretion of an Authorized Officer of the Authority, to be applied against any other Authority obligation of the Mortgagor, with any remainder thereafter deposited in the Development's Operating Reserve Cash account.

Conversely, if the ABRAP decreases such that the Ad Valorem Tax Escrow balance cannot pay the annually assessed ad valorem taxes, the Mortgagor will be responsible for the

payment of any shortfall from its own funds. At Initial Closing, the Borrower Sponsor, General Partner, and any entity receiving a developer fee in connection with the Development must provide a guaranty in a form acceptable to the Chief Legal Affairs Officer for the payment of the ad valorem taxes.

**4. Sponsor Note:**

Prior to Mortgage Loan Commitment, the Mortgagor must submit substantially final documents evidencing the Sponsor loan acceptable to the Authority's Chief Legal Affairs Officer 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.

**5. Local HOME Loan:**

Prior to Mortgage Loan Commitment, the Mortgagor must submit substantially final documents evidencing the County of Oakland 's HOME Loan and a funding schedule acceptable to the Authority's Chief Legal Affairs Officer and Director of Development.

At or prior to Initial Closing, the final, executed County of Oakland HOME Loan documents must become effective and initial funding of the loan must be made in an amount approved by the Director of Development. The County of Oakland, the Authority and the Mortgagor must enter into a subordination and intercreditor agreement in form and substance acceptable to the Chief Legal Affairs Officer.

**6. Gap Financing Grant:**

At Initial Closing, the Mortgagor and the Sponsor must enter into agreements with the Authority for a HOME-ARP Gap Grant, including a grant agreement, flow of funds memorandum and such other agreements as may be required by the Authority's Director of Legal Affairs.

**DEVELOPMENT TEAM AND SITE INFORMATION**

- I. **MORTGAGOR:** Auburn Place Limited Divided Housing Association LLC
- II. **GUARANTOR(S):**
  - A. **Guarantor #1:**

**Name:** South Oakland Shelter (Lighthouse)  
**Address:** 46156 Woodward Ave.  
Pontiac, MI 48342

III. **DEVELOPMENT TEAM ANALYSIS:**

A. **Sponsor:**

**Name:** South Oakland Shelter (Lighthouse)  
**Address:** 46156 Woodward Ave. Pontiac, MI 48342

**Individuals Assigned:** Ryan Hertz  
**Telephone:** 248-920-6000  
**Fax:** N/A  
**E-mail:** rhertz@lighthousemi.org

1. **Experience:** The Sponsor has experience working on Authority-financed developments.
2. **Interest in the Mortgagor and Members:** Cinnaire Fund for Housing Limited Partnership 42 (Alliant Capital, Ltd.) 99.990% Primary Partnership and Auburn Place MM LLC 0.010% Limited Partnership

B. **Architect:**

**Name:** Fusco, Schaffer & Pappas Inc  
**Address:** 550 East Nine Mile Road  
Ferndale, MI 48220

**Individual Assigned:** James Pappas  
**Telephone:** 248-543-4100  
**Fax:** N/A  
**E-Mail:** jpappas@fpsarch.com

1. **Experience:** Architect has previous experience with Authority-financed developments.
2. **Architect's License:** License number 1301029064, exp. 04/01/2025.

C. **Attorney:**

**Name:** Dykema  
**Address:** 400 Renaissance Center  
Detroit, MI 48243

**Individual Assigned:** Rochelle Lento  
**Telephone:** 313-568-5322  
**Fax:** N/A  
**E-Mail:** rlento@dykema.com

1. **Experience:** This firm has experience in closing Authority-financed developments.

**E. Builder:**

**Name:** O'Brien Construction Company  
**Address:** 966 Livernois  
Troy, MI 48083

**Individual Assigned:** David Vivio  
**Telephone:** 248-334-2470  
**Fax:** N/A  
**E-mail:** dvivio@obrienc.com

1. **Experience:** The firm has previous experience in constructing Authority-financed developments.
2. **State Licensing Board Registration:** License number 2102195384, with an expiration date of 05/31/2026.

**F. Management and Marketing Agent:**

**Name:** Continental Management  
**Address:** 32500 Telegraph Road  
Bingham Farms, MI 48025

**Individual Assigned:** Cheryl Humphrey  
**Telephone:** 248-731-7810  
**Fax:** N/A  
**E-mail:** Chumphrey@continentalmgt.com

1. **Experience:** This firm has significant experience managing Authority-financed developments.

**H. Development Team Recommendation:** Deemed acceptable.

**IV. SITE DATA:**

**A. Land Control/Purchase Price:**  
\$440,000

**B. Site Location:**  
454 Auburn Ave, Pontiac, MI 48342

**C. Size of Site:**

Approximately 1.34 +/- acres

- D.** Density:  
Deemed Appropriate
- E.** Physical Description:
1. Present Use: Vacant Land
  2. Existing Structures: None
  3. Relocation Requirements: None
- F.** Zoning:  
454 Auburn Rd. is zoned R-4 Multiple Family Elevator Apartment.
- G.** Contiguous Land Use:
1. North: Vacant Building (directly across), Ice Cream Shop (beside vacant building), Single- Family Residential neighborhood located behind noted properties
  2. South: Beacon Multi-Family Townhomes Development
  3. East: Vacant Building, Renaissance Court Family-Townhomes (Continental MGT)
  4. West: Commercial Business, Baptist Church, and Single-Family Living
- H.** Tax Information:  
The County of Oakland has approved the project for a 30-year Tax Increment Financing and a 15-year Neighborhood Enterprise Zone.
- I.** Utilities:
- a. Consumers Energy
  - b. DTE
  - c. Oakland County Water Resources Commissioner (OCWRC)
- J.** Community Facilities: Walk Score 59
1. Shopping:  
Family Dollar within .6 miles of site, Pike Food Center within .3 miles of site, Lions Food Market within .3 miles of site, People's Food Market within .4 miles of site.
  2. Recreation:  
South Kiwanis Park within .3 miles of site, Murphy Park within .8 miles of site, Perry Mount Park within 1.4 miles of site, Azteca Youth Enrichment INC. within 2.2 miles of site.
  3. Public Transportation:  
Pontiac Bus Center within .9 miles of site

4. Road Systems  
Approximately 1 mile east of 75 (Woodworth Ave)/Old State Hwy 59, .1-mile North of Whittemore St, .5-miles West of Martian Luther King Jr Blvd S, .6-mile South of E Pike St.
5. Medical Services and other Nearby Amenities:  
The Wellness Plan Medical Centers within .8 miles of site, Pioneer Specialty Hospital within .9 miles of site, McLaren Medical Clinic within 1.4 miles of site, Trinity Health Oakland Campus within 1.5 miles of site, Pontiac General Hospital within 1.8 miles of site.
6. Description of Surrounding Neighborhood:  
Vacant Building, Ice Cream Shop, and Single-Family Residence located north of the site. Beacon Place a Family-Townhomes Development located south of site. Vacant Building and Renaissance Court Family-Townhomes Development located east of site. Furniture Store, Church's, and Single-Family Living located west of site.
7. Local Community Expenditures Apparent:  
The development will impact the community by increasing the needed housing units accessible to the community and individuals seeking residency in the Pontiac area. A promise to keep the timelines of the project and annual updates to the community was given by the sponsor.
8. Indication of Local Support:  
The County of Oakland is in support of a 30-year Tax Increment Financing and a 15-year Neighborhood Enterprise Zone for the development.

**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. 16).

**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-ARP 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:**

<b>A. Mortgage Loan Commitment:</b>	March	2025
<b>B. Initial Closing and Disbursement:</b>	June	2025
<b>C. Construction Completion:</b>	November	2026
<b>D. Cut-Off Date:</b>	May	2027

**XII. ATTACHMENTS:**

- A. Development Proforma**



**APPROVALS:**

*Chad A Benson* 3/12/2025  
\_\_\_\_\_  
Chad Benson Date  
Director of Development

*Anthony Lentych* 3/12/2025  
\_\_\_\_\_  
Tony Lentych Date  
Chief Housing Investment Officer

*Clarence L. Stone, Jr.* 3/12/2025  
\_\_\_\_\_  
Clarence L. Stone, Jr. Date  
Chief Legal Affairs Officer

*Amy Hovey* 03/14/2025  
\_\_\_\_\_  
Amy Hovey Date  
Chief Executive Officer and Executive Director

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**  
**RESOLUTION DETERMINING MORTGAGE LOAN FEASIBILITY**  
**AUBURN PLACE, MSHDA DEVELOPMENT NO. 4118**  
**CITY OF PONTIAC, OAKLAND COUNTY**

**March 20, 2025**

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 South Oakland Shelter, d/b/a Lighthouse (the "Applicant") for a multifamily housing project to be located in the City of Pontiac, Oakland County, Michigan, having a total estimated replacement cost of Thirty Million Ninety-Five Thousand Seventy Dollars (\$30,095,070) and a total estimated maximum mortgage loan amount of Fifteen Million Six Hundred Forty-Nine Thousand Four Hundred Thirty-Six Dollars (\$15,649,436), a HOME-ARP Loan in the total estimated amount of Seven Million Five Hundred Thousand Dollars (\$7,500,000), and a HOME-ARP Grant in the total estimated amount of Three Million Six Hundred Sixty-One Thousand Three Hundred Six Dollars (\$3,661,306) (hereinafter referred to as the "Application"); and

WHEREAS, a housing association to be formed by the Applicant may become eligible to receive a Mortgage Loan from the Authority under the provisions of the Act and the Authority's General Rules; 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 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. A mortgage loan, or a mortgage loan not made by the Authority that is a federally-aided mortgage, can reasonably be anticipated to be obtained to provide financing for the proposed housing project.
- e. The proposed housing project is a feasible housing project.
- f. The Authority expects to allocate to the financing of the proposed housing project proceeds of its bonds issued or to be issued for multifamily housing projects a maximum principal amount not to exceed Seventeen Million Three Hundred Twenty-Six Thousand One Hundred Sixty-Four Dollars (\$17,326,164).

2. The proposed housing project be and it is hereby determined to be feasible for a mortgage loan 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 Chief Legal Affairs Officer, the Director of In-House Legal Services, the Director of Legal Transactions, the Chief Financial Officer, the 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 conditions set forth in the Mortgage Loan Feasibility/Commitment Staff Report dated March 20, 2025, which conditions are hereby incorporated by reference as if fully set forth herein.

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**

**RESOLUTION AUTHORIZING MORTGAGE LOAN  
AUBURN PLACE, MSHDA DEVELOPMENT NO. 4118  
CITY OF PONTIAC, OAKLAND COUNTY**

**March 20, 2025**

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 South Oakland Shelter (the "Applicant") for a construction mortgage loan in the amount of Fifteen Million Six Hundred Forty-Nine Thousand Four Hundred Thirty-Six Dollars (\$15,649,436) and a permanent mortgage loan in the amount of Three Million Two Hundred Thirty-Four Thousand Three Hundred Sixty-Seven Dollars (\$3,234,367), for the construction and permanent financing of a multi-family housing project having an estimated total development cost of Thirty Million Ninety-Five Thousand Seventy Dollars (\$30,095,070), to be known as Auburn Place, located in the City of Pontiac, Oakland County, Michigan, and to be owned by Auburn Place Limited Dividend Housing Association Limited LLC (the "Mortgagor"); and

WHEREAS, in the Application, the Applicant has requested a HOME-ARP Loan in the estimated amount of Seven Million Five Hundred Thousand Dollars (\$7,500,000), and a HOME-ARP Grant in the estimated amount of Three Million Six Hundred Sixty-One Thousand Three Hundred Six Dollars (\$3,661,306); 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 or rehabilitation 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. A mortgage loan (the "Mortgage Loan") be and it hereby is authorized and the Chief Executive Officer and Executive Director, the Chief Housing Investment Officer, the Chief Legal Affairs Officer, the Director of In-House Legal Services, the Director of Legal Transactions, the Chief Financial Officer, the 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 financing of the proposed housing project in an amount not to exceed Fifteen Million Six Hundred Forty-Nine Thousand Four Hundred Thirty-Six Dollars (\$15,649,436), and permanent financing in an amount not to exceed Three Million Two Hundred Thirty-Four Thousand Three Hundred Sixty-Seven Dollars (\$3,234,367), and to have a term of Thirty (30) years after amortization of principal commences and to bear interest at a rate of Five and 625/1000 percent (5.625%) 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 Seventeen Million Three Hundred Twenty-Six Thousand One Hundred Sixty-Four Dollars (\$17,326,164). Any Authorized Officer is hereby authorized to modify or waive any condition or provision contained in the Commitment.

3. 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.

4. 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.

5. 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.

6. 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 March 20, 2025, which conditions are hereby incorporated by reference as if fully set forth herein.

7. 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 and the Authority receives an assignment of the Annual Brownfield Reimbursement Agreement Payments from the Pontiac Brownfield Redevelopment Authority as is conditioned in the March 20, 2025, Mortgage Loan Feasibility/Commitment Staff Report, which conditions are hereby incorporated by reference as if fully set forth herein.

# Reports

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**  
**FINANCIAL REPORT**  
**QUARTER AND YEAR TO DATE ENDED DECEMBER 31, 2024**

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**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**  
**FINANCIAL SUMMARY**  
**SIX MONTHS ENDED DECEMBER 31, 2024**

Operations for the six months ended December 31, 2024, resulted in excess of revenues over expenses of \$19.2 million, a decrease of \$13.4 million compared to prior year results of \$32.6 million. Excess of revenues over expenses for the six months ended December 31, 2024, was more than budget of \$4.0 million by \$15.2 million.

**Financial Position**

Total assets increased by \$876.6 million from June 30, 2024 to \$7.55 billion at December 31, 2024. This increase equates to 13.14 percent. The majority of the increase occurred in mortgage loans receivable (higher by \$410.0 million) and investments (higher by \$286.2 million).

Loans receivable increased from \$5,250.5 million on June 30, 2024, to \$5,660.5 million at December 31, 2024, an increase of \$410.0 million. The loans receivable experienced a net increase in single-family mortgages (up \$307.6 million) and multi-family mortgages (up \$102.5 million).

Investments increased by \$286.2 million to \$1,590.3 million from June 30, 2024. This increase was primarily due to bond proceed investments being deposited to purchase single-family mortgages and fund multi-family development construction draws.

Bonds payable increased from \$4,784.0 million to \$5,496.9 million on December 31, 2024 compared to June 30, 2024. This was a net increase of \$712.9 million, which was primarily due to the issuance of Single-Family Mortgage Revenue Bonds 2024 Series D, E and F (\$494.9 million), and the Rental Housing Revenue Bonds, 2024 Series A (\$424.7 million), partially offset by debt service and bond calls.

Escrow funds increased from \$527.2 million on June 30, 2024, to \$536.6 million at December 31, 2024, an increase of \$9.4 million. The increase is due to the additional multi-family mortgages.

MSHDA's fund balances totaled \$998.5 million on December 31, 2024, equal to 13.2 percent of total assets and 18.2 percent of bonds payable. The \$998.5 million fund balance does not include the impact of MSHDA's portion of the State of Michigan's Pension liability (\$41.8 million on June 30, 2024) and Other Post-Employment Benefits liability (\$19.5 million at June 30, 2024). These allocations reduce MSHDA's fund balance by \$61.3 million. This liability is recalculated annually. MSHDA is rated by Standard & Poor's and has an Issuer Credit Rating (ICR) of AA- with a stable outlook.

## **Results of Operations for the Six Months Ended December 31, 2024, Compared to the Six Months Ended December 31, 2023**

Operations for the six months ended December 31, 2024, resulted in excess of revenues over expenses of \$19.2 million, a decrease of \$13.4 million compared to prior year results of \$32.6 million. Total revenues decreased from \$569.4 million in 2023, to \$567.6 million in 2024. Total expenses were \$536.8 million for the six months ended December 31, 2023, compared to \$548.4 million for the six months ended December 31, 2024.

Net interest income increased from \$46.3 million in 2023 to \$50.8 million in 2024, an increase of \$4.5 million. Mortgage loan interest income is up \$27.4 million in 2024 compared to 2023. The increase is attributable to higher rate mortgages rates and mortgage balances on both single-family and multi-family mortgages. Investment interest income increased \$168,000 from 2023 to 2024, based on slightly lower investment yields. Interest expense is higher by \$23.1 million, due to an increase in bonds outstanding and somewhat lower short-term rates on variable rate debt. The aggregate interest rate on all outstanding debt went from 3.83% for the quarter ended December 31, 2023 to 4.26% for the quarter ended December 31, 2024. The Authority's interest income spread decreased 16 basis points, with interest earning asset rates going from 4.73% in December of 2023 to 5.00% in December of 2024.

Total Income decreased from \$569.4 million for the six months ended December 31, 2023 to \$567.6 million for the six months ended December 31, 2024, a net decrease of \$1.9 million. The total income decrease was caused by a fall in Preservation Fees (\$4.9 million), lower Federal Program Admin Fees (\$5.9 million) and lower Gains on Debt Retirement (\$6.1 million), partially offset by Net Interest Income (\$4.5 million) and additional Federal Assistance Program Income (\$14.5 million). Under the Preservation Program, the Authority receives a portion of excess reserves of multi-family developments and the developments' owner, upon agreement of the owner to preserve the developments for occupancy by low-income families, is permitted to borrow all or a portion of the excess reserves. The timing of these preservation agreements can be unpredictable.

Total expenses increased from \$536.8 million for the six months ended December 31, 2023, to \$548.4 million for the six months ended December 31, 2024, a net increase of \$11.6 million. Total expenses increased, primarily due to additional Federal Assistance Programs Expenses (\$17.1 million), partially offset by less Operating Expenses (\$6.2 million).

## **Results of Operations for the Six Months Ended December 31, 2024, Compared to Budget**

Excess of Revenues over Expenses for the six months ended December 31, 2024, was \$19.2 million compared to budget of \$4.0 million, a positive variance of \$15.2 million. Excess of revenues over expenses for the six months ended December 31, 2024, was more than budget of \$6.7 million by \$12.5 million (excluding Federal Assistance Programs Expense). The Authority doesn't budget for the passthrough of Federal Assistance Fund flowing through the financials. The budget amount in the financials is entered as exactly the actual amounts; therefore, the difference between the Federal Assistance Program revenue and expense will impact the budgeted Excess of Income Over Expense.

Net interest income was \$50.8 million compared to budget of \$41.6 million, more than budgeted by \$9.2 million. This difference was due to higher Mortgage Interest Income (\$15.7 million) and higher Investment Interest Income (\$2.6 million), partially offset by higher Investment Interest Expense (\$9.1 million).

Total Income was \$567.6 million compared to budget of \$558.6 million, a positive variance of \$9.0 million. Total income was more than budget due to Net Interest Income (\$9.2 million) and Gain on Debt Retirement (\$4.3 million), partially offset by Miscellaneous Income (\$3.3 million).

Total expenses were \$548.4 million compared to budget of \$554.6 million. This positive variance of \$6.3 million was mainly due to Total Operating Expenses (lower by \$10.6 million), partially offset by Provision for Loan Losses (higher by \$3.5 million).

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY  
STATEMENT OF FINANCIAL CONDITION

	<u>DECEMBER 31, 2024</u>	<u>JUNE 30, 2024</u>	<u>INCREASE (DECREASE)</u>
<b><u>ASSETS:</u></b>			
Loans Receivable:			
Developments under Construction	\$ 688,593,144	\$ 674,914,021	\$ 13,679,123
Short-Term Construction Loans	0	-	0
Completed Development Final Closed	1,477,821,767	1,388,988,480	88,833,287
Single-family Mortgages	3,493,059,562	3,185,497,966	307,561,597
AIS Homes	-	-	-
Home Improvement and Mod Rehab Loans	1,008,016	1,095,074	(87,058)
	<u>5,660,482,490</u>	<u>5,250,495,541</u>	<u>409,986,949</u>
ADD (DEDUCT): Reserve for Losses	(172,222,485)	(159,752,600)	(12,469,885)
Mortgage Discount - Single Family	(48,601)	(48,601)	-
Mortgage Discount - Multi Family	(36,216,846)	(33,079,530)	(3,137,316)
Accrued Interest Receivable	102,199,538	91,888,063	10,311,475
	<u>5,554,194,096</u>	<u>5,149,502,873</u>	<u>404,691,223</u>
Investments			
CD's and Investment Agreements	0	0	-
Other Short Term Investments	809,033,535	510,489,953	298,543,582
Long Term Investments	781,308,584	793,642,207	(12,333,623)
	<u>1,590,342,119</u>	<u>1,304,132,160</u>	<u>286,209,959</u>
Accrued Interest Receivable	8,870,942	7,445,312	1,425,630
	<u>1,599,213,061</u>	<u>1,311,577,472</u>	<u>287,635,589</u>
Cash	164,530,062	66,094,332	98,435,729
Housing Development Loans, Net of Reserve	3,655,127	3,617,037	38,090
Deferred Bond Issuance Costs	-	-	-
Real Estate Owned:			
Multi-family	1,347,227	1,347,227	-
Single-family	5,507,264	3,268,247	2,239,018
Other Assets	218,467,141	134,949,927	83,517,214
<b>TOTAL ASSETS</b>	<u><u>\$ 7,546,913,978</u></u>	<u><u>6,670,357,114</u></u>	<u><u>\$ 876,556,863</u></u>
 <b><u>LIABILITIES:</u></b>			
Bonds Payable	\$ 5,496,864,000	\$ 4,783,982,000	\$ 712,882,000
ADD Capital Appreciation	-	-	-
LESS Bond Discount & Premium, Net	55,221,954	47,580,674	7,641,281
	<u>5,552,085,954</u>	<u>4,831,562,674</u>	<u>720,523,281</u>
Notes Payable, including Premium	50,000,000	100,000,000	(50,000,000)
Accrued Interest Payable: Bonds	30,949,314	25,498,986	5,450,329
Escrow Funds	536,599,707	527,182,564	9,417,143
Federal or State Resources on Hand	118,199,087	94,749,019	23,450,068
Other Liabilities	260,620,868	112,104,069	148,516,799
<b>TOTAL LIABILITIES</b>	<u>6,548,454,930</u>	<u>5,691,097,311</u>	<u>857,357,620</u>
 <b><u>FUND BALANCES:</u></b>			
Restricted Funds	680,951,024	643,315,125	37,635,899
Unrestricted Funds	317,508,023	335,944,679	(18,436,655)
<b>TOTAL FUND BALANCES</b>	<u>998,459,047</u>	<u>979,259,804</u>	<u>19,199,244</u>
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<u><u>\$ 7,546,913,978</u></u>	<u><u>6,670,357,114</u></u>	<u><u>\$ 876,556,863</u></u>

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY  
STATEMENT OF REVENUES AND EXPENSES

	6 MONTHS ENDED DECEMBER 31			6 MONTHS ENDED DECEMBER 31, 2024		
	2024	2023	INCREASE (DECREASE)	ACTUAL	BUDGET	OVER (UNDER) BUDGET
<b>INCOME:</b>						
Interest Income:						
Mortgage Loans	\$ 136,844,756	\$ 109,459,913	\$ 27,384,844	\$ 136,844,756	121,143,000	\$ 15,701,756
Investments	23,051,861	22,883,997	167,864	23,051,861	20,467,000	2,584,861
	<u>159,896,617</u>	<u>132,343,910</u>	<u>27,552,708</u>	<u>159,896,617</u>	<u>141,610,000</u>	<u>18,286,617</u>
Interest Expense	(109,107,788)	(86,009,516)	(23,098,273)	(109,107,788)	(100,015,000)	(9,092,788)
Net Interest Income	<u>50,788,829</u>	<u>46,334,394</u>	<u>4,454,435</u>	<u>50,788,829</u>	<u>41,595,000</u>	<u>9,193,829</u>
Multi-Family Servicing Fees	-	-	-	-	-	-
Preservation Fees	941,669	5,801,769	(4,860,100)	941,669	600,000	341,669
LIHTC Fees	2,989,124	3,318,488	(329,364)	2,989,124	2,281,000	708,124
Section 8 Existing Fees	10,721,141	10,172,043	549,098	10,721,141	12,000,000	(1,278,859)
Federal Programs Administration Fees	4,168,244	10,073,399	(5,905,155)	4,168,244	5,560,000	(1,391,756)
Contract Administration Fees	8,082,569	7,621,671	460,898	8,082,569	7,645,000	437,569
Gain (Loss) on Sale of Investments, Net	-	-	-	-	-	-
Gain (Loss) on Debt Retirement, Net	5,784,578	11,843,220	(6,058,642)	5,784,578	1,530,000	4,254,578
Gain (Loss) on Sale of Mortgages, Net	-	-	-	-	-	-
Miscellaneous Income	1,881,396	6,607,575	(4,726,179)	1,881,396	5,196,000	(3,314,604)
Federal/State Assistance Programs Income	482,211,530	467,666,990	14,544,540	482,211,530	482,211,530	-
<b>TOTAL INCOME</b>	<u><u>567,569,080</u></u>	<u><u>569,439,549</u></u>	<u><u>(1,870,469)</u></u>	<u><u>567,569,080</u></u>	<u><u>558,618,530</u></u>	<u><u>8,950,550</u></u>
<b>EXPENSES:</b>						
Operating Expenses:						
Salaries and Fringe Benefits	19,883,018	23,170,708	(3,287,689)	19,883,018	23,383,000	(3,499,982)
Technical Service Contracts	3,826,333	4,046,859	(220,526)	3,826,333	4,420,000	(593,667)
General Consultant Contracts	799,432	1,865,040	(1,065,608)	799,432	509,000	290,432
Rent, building depreciation & utilities	666,494	569,207	97,288	666,494	616,000	50,494
Building maint, equipment purchase & rental	532,259	371,647	160,612	532,259	1,675,000	(1,142,741)
Computer & Related Equipment Purchases	1,177,474	1,988,887	(811,413)	1,177,474	5,287,000	(4,109,526)
Charges from other State Departments	1,707,000	1,129,698	577,302	1,707,000	1,848,000	(141,000)
Travel	169,864	126,444	43,420	169,864	204,000	(34,136)
Telephone	103,732	115,203	(11,471)	103,732	161,000	(57,268)
Printing, Supplies, & Postage	151,783	129,409	22,374	151,783	150,000	1,783
Advertising and Publicity	934,585	1,444,587	(510,002)	934,585	1,129,000	(194,415)
Sec 8 Property Mgrs Fees & Expenses	6,291,461	7,162,783	(871,322)	6,291,461	7,200,000	(908,539)
Temporary Clerical Assistance	29,662	238,568	(208,906)	29,662	288,000	(258,338)
Training	56,662	51,283	5,379	56,662	86,000	(29,338)
All Other	197,905	665,015	(467,111)	197,905	823,000	(625,095)
Deferred Operating Costs	(540,000)	(900,000)	360,000	(540,000)	(1,200,000)	660,000
Total Operating Expenses	<u>35,987,664</u>	<u>42,175,339</u>	<u>(6,187,675)</u>	<u>35,987,664</u>	<u>46,579,000</u>	<u>(10,591,336)</u>
Single Family & HIP Mtg fees	7,535,383	7,003,713	531,670	7,535,383	6,558,000	977,383
Costs of Issuing, Paying Notes and Bonds	1,500,725	1,246,177	254,548	1,500,725	1,717,000	(216,275)
Provision for Losses on Uncoll. Mort.	12,455,778	11,145,858	1,309,920	12,455,778	9,000,000	3,455,778
MSHDA Grants	4,909,168	6,114,841	(1,205,673)	4,909,168	4,242,000	667,168
Rent Subsidy	167,498	228,252	(60,754)	167,498	198,000	(30,502)
Bond Insurance Expense	605,138	547,595	57,544	605,138	785,000	(179,862)
Homeownership Counseling Costs	274,520	509,622	(235,102)	274,520	610,000	(335,480)
Other	-	-	-	-	-	-
Federal/State Assistance Programs Expense	484,933,963	467,828,776	17,105,187	484,933,963	484,933,963	-
<b>TOTAL EXPENSES</b>	<u><u>548,369,836</u></u>	<u><u>536,800,171</u></u>	<u><u>11,569,665</u></u>	<u><u>548,369,836</u></u>	<u><u>554,622,963</u></u>	<u><u>(6,253,126)</u></u>
<b>EXCESS (DEFICIENCY) OF INCOME OVER EXPENSES</b>	<u><u>19,199,244</u></u>	<u><u>\$ 32,639,378</u></u>	<u><u>\$ (13,440,134)</u></u>	<u><u>\$ 19,199,244</u></u>	<u><u>3,995,567</u></u>	<u><u>15,203,676</u></u>

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY  
STATEMENT OF REVENUES AND EXPENSES

	QUARTER ENDED DECEMBER 31			QUARTER ENDED DECEMBER 31, 2024		
	2024	2023	INCREASE (DECREASE)	ACTUAL	BUDGET	OVER (UNDER) BUDGET
<b>INCOME:</b>						
Interest Income:						
Mortgage Loans	\$ 70,327,877	\$ 56,160,489	\$ 14,167,389	\$ 70,327,877	\$ 61,197,000	\$ 9,130,877
Investments	13,743,399	11,407,213	2,336,187	13,743,399	10,253,000	3,490,399
	<u>84,071,277</u>	<u>67,567,702</u>	<u>16,503,575</u>	<u>84,071,277</u>	<u>71,450,000</u>	<u>12,621,277</u>
Interest Expense	(59,363,354)	(44,260,675)	(15,102,679)	(59,363,354)	(50,966,000)	(8,397,354)
Net Interest Income	<u>24,707,923</u>	<u>23,307,027</u>	<u>1,400,896</u>	<u>24,707,923</u>	<u>20,484,000</u>	<u>4,223,923</u>
Multi-Family Servicing Fees	-	-	-	-	-	-
Preservation Fees	644,572	1,551,554	(906,983)	644,572	300,000	344,572
LIHTC Fees	1,513,945	2,285,998	(772,053)	1,513,945	1,141,000	372,945
Section 8 Existing Fees	5,916,355	5,544,048	372,308	5,916,355	6,000,000	(83,645)
Federal Programs Administration Fees	2,405,518	6,593,399	(4,187,881)	2,405,518	2,780,000	(374,482)
Contract Administration Fees	4,004,216	3,803,631	200,585	4,004,216	3,823,000	181,216
Gain (Loss) on Sale of Investments, Net	-	-	-	-	-	-
Gain (Loss) on Debt Retirement, Net	5,714,945.09	6,387,196	(672,251)	5,714,945	765,000	4,949,945
Gain (Loss) on Sale of Mortgages, Net	-	-	-	-	-	-
Miscellaneous Income	1,140,740	4,419,813	(3,279,073)	1,140,740	2,598,000	(1,457,260)
Federal/State Assistance Programs Income	259,379,160	226,847,416	32,531,744	259,379,160	259,379,160	-
TOTAL INCOME	<u>305,427,375</u>	<u>280,740,083</u>	<u>24,687,293</u>	<u>305,427,375</u>	<u>297,270,160</u>	<u>8,157,215</u>
<b>EXPENSES:</b>						
Operating Expenses:						
Salaries and Fringe Benefits	9,896,311	11,357,520	(1,461,209)	9,896,311	12,037,000	(2,140,689)
Technical Service Contracts	1,491,889	1,841,522	(349,633)	1,491,889	2,210,000	(718,111)
General Consultant Contracts	446,210	878,482	(432,272)	446,210	254,000	192,210
Rent, building depreciation & utilities	491,607	183,252	308,355	491,607	308,000	183,607
Building maint, equipment purchase & rental	243,006	163,270	79,736	243,006	838,000	(594,994)
Computer & Related Equipment Purchases	1,022,487	193,524	828,963	1,022,487	2,644,000	(1,621,513)
Charges from other State Departments	924,000	(206,919)	1,130,919	924,000	924,000	-
Travel	82,438	37,267	45,171	82,438	102,000	(19,562)
Telephone	58,945	38,504	20,441	58,945	80,000	(21,055)
Printing, Supplies, & Postage	72,980	47,406	25,574	72,980	75,000	(2,020)
Advertising and Publicity	473,259	637,502	(164,243)	473,259	565,000	(91,741)
Sec 8 Property Mgrs Fees & Expenses	3,170,926	3,665,103	(494,178)	3,170,926	3,600,000	(429,074)
Temporary Clerical Assistance	10,435	78,324	(67,889)	10,435	144,000	(133,565)
Training	12,966	31,377	(18,411)	12,966	43,000	(30,034)
All Other	(76,864)	440,672	(517,536)	(76,864)	412,000	(488,864)
Deferred Operating Costs	(360,000)	(630,000)	270,000	(360,000)	(600,000)	240,000
Total Operating Expenses	<u>17,960,595</u>	<u>18,756,807</u>	<u>(796,212)</u>	<u>17,960,595</u>	<u>23,636,000</u>	<u>(5,675,405)</u>
Single Family & HIP Mtg fees	3,856,760	3,198,339	658,422	3,856,760	3,279,000	577,760
Costs of Issuing, Paying Notes and Bonds	686,943	751,678	(64,736)	686,943	859,000	(172,057)
Provision for Losses on Uncoll. Mort.	5,738,604	5,638,917	99,687	5,738,604	4,500,000	1,238,604
MSHDA Grants	4,787,792	5,997,591	(1,209,799)	4,787,792	2,121,000	2,666,792
Rent Subsidy	100,379	115,132	(14,753)	100,379	99,000	1,379
Bond Insurance Expense	389,861	254,454	135,407	389,861	392,000	(2,139)
Homeownership Counseling Costs	126,792	261,430	(134,637)	126,792	305,000	(178,208)
Other	-	-	-	-	-	-
Federal/State Assistance Programs Expense	263,553,602	226,490,092	37,063,510	263,553,602	263,553,602	-
TOTAL EXPENSES	<u>297,201,328</u>	<u>261,464,440</u>	<u>35,736,888</u>	<u>297,201,328</u>	<u>298,744,602</u>	<u>(1,543,274)</u>
EXCESS (DEFICIENCY) OF INCOME OVER EXPENSES	<u>\$ 8,226,047</u>	<u>\$ 19,275,642</u>	<u>\$ (11,049,595)</u>	<u>\$ 8,226,047</u>	<u>(1,474,442)</u>	<u>\$ 9,700,489</u>

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY  
STATEMENT OF REVENUES AND EXPENSES

MONTH OF OCTOBER 31, 2024

	ACTUAL	BUDGET	OVER (UNDER) BUDGET
<b>INCOME:</b>			
Interest Income:			
Mortgage Loans	\$ 23,128,098	\$ 20,256,000	\$ 2,872,098
Investments	4,937,944	3,782,000	1,155,944
	<u>28,066,042</u>	<u>24,038,000</u>	<u>4,028,042</u>
Interest Expense	(20,593,572)	(17,128,000)	(3,465,572)
Net Interest Income	<u>7,472,470</u>	<u>6,910,000</u>	<u>562,470</u>
Multi-Family Servicing Fees	0	-	-
Preservation Fees	643,708	100,000	543,708
LIHTC Fees	374,336	381,000	(6,664)
Section 8 Existing Fees	1,029,077	2,000,000	(970,923)
Federal Programs Administration Fees	396,655	926,000	(529,345)
Contract Administration Fees	1,332,255	1,275,000	57,255
Gain (Loss) on Sale of Investments, Net	-	-	-
Gain (Loss) on Debt Retirement, Net	341,733	255,000	86,733
Gain (Loss) on Sale of Mortgages, Net	-	-	-
Miscellaneous Income	268,391	866,000	(597,609)
Federal/State Assistance Programs Income	84,426,769	84,426,769	-
<b>TOTAL INCOME</b>	<u><u>96,285,393</u></u>	<u><u>97,139,769</u></u>	<u><u>(854,377)</u></u>
<b>EXPENSES:</b>			
Operating Expenses:			
Salaries and Fringe Benefits	3,937,067	4,151,000	(213,933)
Technical Service Contracts	158,340	736,000	(577,660)
General Consultant Contracts	168,275	85,000	83,275
Rent, building depreciation & utilities	362,299	103,000	259,299
Building maint, equipment purchase & rental	198,647	279,000	(80,353)
Computer & Related Equipment Purchases	866,844	881,000	(14,156)
Charges from other State Departments	308,000	308,000	-
Travel	36,493	34,000	2,493
Telephone	21,529	27,000	(5,471)
Printing, Supplies, & Postage	32,617	25,000	7,617
Advertising and Publicity	14,350	188,000	(173,650)
Sec 8 Property Mgrs Fees & Expenses	1,029,077	1,200,000	(170,923)
Temporary Clerical Assistance	6,316	48,000	(41,684)
Training	6,082	14,000	(7,918)
All Other	(201,874)	137,000	(338,874)
Deferred Operating Costs	-	(200,000)	200,000
Total Operating Expenses	<u>6,944,063</u>	<u>8,016,000</u>	<u>(1,071,937)</u>
Single Family & HIP Mtg fees	1,313,575	1,093,000	220,575
Costs of Issuing, Paying Notes and Bonds	432,818	287,000	145,818
Provision for Losses on Uncoll. Mort.	2,204,590	1,500,000	704,590
Housing Development Grants	4,766,317	707,000	4,059,317
Rent Subsidy	44,451	33,000	11,451
Bond Insurance Expense	139,558	131,000	8,558
Homeownership Counseling Costs	95,157	102,000	(6,843)
Other	-	-	-
Federal/State Assistance Programs Expense	80,936,079	80,936,079	-
<b>TOTAL EXPENSES</b>	<u><u>96,876,607</u></u>	<u><u>92,805,079</u></u>	<u><u>4,071,529</u></u>
<b>EXCESS (DEFICIENCY) OF INCOME OVER EXPENSES</b>	<u><u>\$ (591,215)</u></u>	<u><u>\$ 4,334,691</u></u>	<u><u>\$ (4,925,905)</u></u>

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY  
STATEMENT OF REVENUES AND EXPENSES

MONTH OF NOVEMBER 30, 2024

	ACTUAL	BUDGET	OVER (UNDER) BUDGET
<b>INCOME:</b>			
Interest Income:			
Mortgage Loans	\$ 23,176,278	\$ 20,308,000	\$ 2,868,278
Investments	4,610,655	3,362,000	1,248,655
	<u>27,786,933</u>	<u>23,670,000</u>	<u>4,116,933</u>
Interest Expense	(19,511,485)	(17,128,000)	(2,383,485)
Net Interest Income	<u>8,275,447</u>	<u>6,542,000</u>	<u>1,733,447</u>
Multi-Family Servicing Fees	0	-	-
Preservation Fees	864	100,000	(99,136)
LIHTC Fees	606,525	380,000	226,525
Section 8 Existing Fees	1,037,733	2,000,000	(962,267)
Federal Programs Administration Fees	242,500	927,000	(684,500)
Contract Administration Fees	1,348,807	1,274,000	74,807
Gain (Loss) on Sale of Investments, Net	-	-	-
Gain (Loss) on Debt Retirement, Net	-	255,000	(255,000)
Gain (Loss) on Sale of Mortgages, Net	-	-	-
Miscellaneous Income	658,500	866,000	(207,500)
Federal/State Assistance Programs Income	<u>68,766,940</u>	<u>68,766,940</u>	<u>-</u>
<b>TOTAL INCOME</b>	<u><b>80,937,317</b></u>	<u><b>81,110,940</b></u>	<u><b>(173,623)</b></u>
<b>EXPENSES:</b>			
Operating Expenses:			
Salaries and Fringe Benefits	3,231,240	3,915,000	(683,760)
Technical Service Contracts	644,427	737,000	(92,573)
General Consultant Contracts	124,724	85,000	39,724
Rent, building depreciation & utilities	64,430	103,000	(38,570)
Building maint, equipment purchase & rental	23,710	279,000	(255,290)
Computer & Related Equipment Purchases	117,531	881,000	(763,469)
Charges from other State Departments	308,000	308,000	-
Travel	26,469	34,000	(7,531)
Telephone	20,276	27,000	(6,724)
Printing, Supplies, & Postage	22,353	25,000	(2,647)
Advertising and Publicity	237,200	188,000	49,200
Sec 8 Property Mgrs Fees & Expenses	1,037,733	1,200,000	(162,267)
Temporary Clerical Assistance	-	48,000	(48,000)
Training	2,126	15,000	(12,874)
All Other	44,892	137,000	(92,108)
Deferred Operating Costs	(90,000)	(200,000)	110,000
Total Operating Expenses	<u>5,815,112</u>	<u>7,782,000</u>	<u>(1,966,888)</u>
Single Family& HIP Mtg fees	1,254,486	1,093,000	161,486
Costs of Issuing, Paying Notes and Bonds	234,003	286,000	(51,997)
Provision for Losses on Uncoll. Mort.	1,767,880	1,500,000	267,880
Housing Development Grants	15,000	707,000	(692,000)
Rent Subsidy	23,190	33,000	(9,810)
Bond Insurance Expense	250,302	131,000	119,302
Homeownership Counseling Costs	10,265	102,000	(91,735)
Other	-	-	-
Federal/State Assistance Programs Expense	<u>83,168,168</u>	<u>83,168,168</u>	<u>-</u>
<b>TOTAL EXPENSES</b>	<u><b>92,538,407</b></u>	<u><b>94,802,168</b></u>	<u><b>(2,263,761)</b></u>
<b>EXCESS (DEFICIENCY) OF INCOME OVER EXPENSES</b>	<u><b>\$ (11,601,090)</b></u>	<u><b>\$ (13,691,228)</b></u>	<u><b>\$ 2,090,138</b></u>



MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY  
STATEMENT OF REVENUES AND EXPENSES

MONTH OF DECEMBER 31, 2024

	ACTUAL	BUDGET	OVER (UNDER) BUDGET
<b>INCOME:</b>			
Interest Income:			
Mortgage Loans	\$ 24,023,501	\$ 20,633,000	\$ 3,390,501
Investments	4,194,800	3,109,000	1,085,800
	<u>28,218,301</u>	<u>23,742,000</u>	<u>4,476,301</u>
Interest Expense	(19,258,296)	(16,710,000)	(2,548,296)
Net Interest Income	<u>8,960,006</u>	<u>7,032,000</u>	<u>1,928,006</u>
Multi-Family Servicing Fees	0	-	-
Preservation Fees	-	100,000	(100,000)
LIHTC Fees	533,084	380,000	153,084
Section 8 Existing Fees	3,849,545	2,000,000	1,849,545
Federal Programs Administration Fees	1,766,363	927,000	839,363
Contract Administration Fees	1,323,154	1,274,000	49,154
Gain (Loss) on Sale of Investments, Net	-	-	-
Gain (Loss) on Debt Retirement, Net	5,373,213	255,000	5,118,213
Gain (Loss) on Sale of Mortgages, Net	-	-	-
Miscellaneous Income	213,850	866,000	(652,150)
Federal/State Assistance Programs Income	106,185,451	106,185,451	-
<b>TOTAL INCOME</b>	<u>128,204,666</u>	<u>119,019,451</u>	<u>9,185,215</u>
<b>EXPENSES:</b>			
Operating Expenses:			
Salaries and Fringe Benefits	2,728,004	3,971,000	(1,242,997)
Technical Service Contracts	689,121	737,000	(47,879)
General Consultant Contracts	153,211	84,000	69,211
Rent, building depreciation & utilities	64,878	102,000	(37,122)
Building maint, equipment purchase & rental	20,649	280,000	(259,351)
Computer & Related Equipment Purchases	38,113	882,000	(843,887)
Charges from other State Departments	308,000	308,000	-
Travel	19,476	34,000	(14,524)
Telephone	17,140	26,000	(8,860)
Printing, Supplies, & Postage	18,010	25,000	(6,990)
Advertising and Publicity	221,709	189,000	32,709
Sec 8 Property Mgrs Fees & Expenses	1,104,115	1,200,000	(95,885)
Temporary Clerical Assistance	4,120	48,000	(43,880)
Training	4,758	14,000	(9,242)
All Other	80,118	138,000	(57,882)
Deferred Operating Costs	(270,000)	(200,000)	(70,000)
Total Operating Expenses	<u>5,201,420</u>	<u>7,838,000</u>	<u>(2,636,580)</u>
Single Family& HIP Mtg fees	1,288,699	1,093,000	195,699
Costs of Issuing, Paying Notes and Bonds	20,123	286,000	(265,877)
Provision for Losses on Uncoll. Mort.	1,766,135	1,500,000	266,135
Housing Development Grants	6,474	707,000	(700,526)
Rent Subsidy	32,738	33,000	(262)
Bond Insurance Expense	-	130,000	(130,000)
Homeownership Counseling Costs	21,370	101,000	(79,630)
Other	-	-	-
Federal/State Assistance Programs Expense	99,449,355	99,449,355	-
<b>TOTAL EXPENSES</b>	<u>107,786,314</u>	<u>111,137,355</u>	<u>(3,351,042)</u>
<b>EXCESS (DEFICIENCY) OF INCOME OVER EXPENSES</b>	<u>\$ 20,418,352</u>	<u>\$ 7,882,096</u>	<u>\$ 12,536,256</u>

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS FOR QUARTER ENDED DECEMBER 31, 2024**

Year to date as of December 2024:

Long term investment-book:	\$781,308,584
Excess of market over book:	<u>(\$79,739,207)</u>
Long term investment-market:	\$701,569,377
Unrealized Gain (Loss) for this Fiscal Year (July - Dec):	(\$3,192)

Average interest rates earned on mortgage loans and investments were approximately as follows (excludes mortgagors' escrow fund investments) (in thousands):

<u>Quarter Ended</u>	<u>Mortgage Loans</u>		<u>Investments</u>		<u>Aggregate</u>	
	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>	<u>Rate</u>
March 21	3,558,295	4.79	769,693	1.18	4,327,988	4.15
June 21	3,586,364	4.76	736,372	1.33	4,322,736	4.18
Sept 21	3,603,157	4.57	987,929	0.87	4,591,086	3.77
Dec 21	3,629,969	4.54	936,911	0.99	4,566,880	3.81
March 22	3,721,310	4.45	784,750	1.15	4,506,060	3.88
June 22	3,770,766	4.41	833,470	1.69	4,604,236	3.92
Sept 22	3,824,894	4.54	917,376	2.28	4,742,270	4.10
Dec 22	3,981,139	4.53	822,545	3.23	4,803,684	4.31
March 23	4,197,970	4.57	780,011	4.01	4,977,981	4.48
June 23	4,384,852	4.64	1,044,582	4.53	5,429,434	4.62
Sept 23	4,553,214	4.68	958,674	4.79	5,511,888	4.70
Dec 23	4,748,539	4.73	965,334	4.73	5,713,873	4.73
March 24	4,979,791	4.85	905,588	4.70	5,885,379	4.83
June 24	5,157,910	4.94	902,211	4.51	6,060,121	4.88
Sept 24	5,363,474	4.96	809,921	4.60	6,173,395	4.91
Dec 24	5,578,324	5.04	1,142,299	4.81	6,720,623	5.00

Average rate borne by Authority bonds were as follows (in thousands):

<u>Quarter Ended</u>	<u>Fixed Rate Bonds</u>		<u>Variable Rate Bonds</u>		<u>Aggregate</u>	
	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>	<u>Rate</u>
March 21	3,242,360	3.46	220,320	0.10	3,462,680	3.25
June 21	3,129,610	3.49	195,340	0.11	3,324,950	3.29
Sept 21	3,431,575	3.32	184,905	0.07	3,616,480	3.15
Dec 21	3,440,947	3.30	166,218	0.12	3,607,165	3.15
March 22	3,334,803	3.31	161,508	0.27	3,496,311	3.17
June 22	3,397,817	3.22	186,111	1.06	3,583,928	3.11
Sept 22	3,389,871	3.40	310,555	1.51	3,700,426	3.24
Dec 22	3,384,423	3.55	339,134	2.78	3,723,557	3.48
March 23	3,434,857	3.49	471,673	3.69	3,906,530	3.51
June 23	3,869,685	3.76	423,448	3.97	4,293,133	3.78
Sept 23	3,975,094	3.73	433,368	4.33	4,408,462	3.79
Dec 23	4,233,557	3.78	391,507	4.34	4,625,064	3.83
March 24	4,191,553	3.88	537,941	4.67	4,729,494	3.97
June 24	4,465,490	4.04	399,022	4.30	4,864,512	4.06
Sept 24	4,417,999	3.88	582,835	4.75	5,000,834	3.98
Dec 24	5,114,816	4.29	453,054	3.98	5,567,870	4.26

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**QUARTER AND YEAR TO DATE ENDED DECEMBER 31, 2024**

1. Single-Family activity for the quarter and year to date December 31, 2024, was as follows:

	<u>Year to Date</u>		<u>Current Quarter</u>	
	<u>Units</u>	<u>Amount</u>	<u>Units</u>	<u>Amount</u>
Commitments outstanding – Beginning	559	\$81,971,782	489	\$71,766,966
Commitments issued	2,545	375,250,325	1,147	168,224,813
Loans purchased	(2,650)	(391,399,807)	(1,198)	(176,181,092)
Cancellations, adjustments, etc.	<u>(26)</u>	<u>(2,863,016)</u>	<u>(10)</u>	<u>(841,403)</u>
Commitments outstanding - Ending	<u>428</u>	<u>\$62,969,284</u>	<u>428</u>	<u>\$62,969,284</u>

Single-Family Delinquency Report as of December 31, 2024:

<u>Days Delinquent</u>	<u>Delinquent</u>		<u>% of Total Loans</u>		
	<u># of Loans</u>	<u>Loan Amount</u>	<u>12/31/24</u>	<u>09/30/24</u>	<u>12/31/23</u>
30-59	2,168	\$225,208,307	6.85%	6.63%	7.33%
60-89	729	76,444,737	2.33%	2.08%	2.60%
90+Possible Foreclosure	<u>1,056</u>	<u>112,502,311</u>	<u>3.42%</u>	<u>3.03%</u>	<u>3.12%</u>
	<u>3,953</u>	<u>\$414,155,355</u>	<u>12.60%</u>	<u>11.74%</u>	<u>13.05%</u>

2. Home Improvement loan activity for the quarter and from inception of the program was as follows:

	<u>Quarter</u>	<u>Cumulative</u>
Number of loans purchased	0	27,941
Amount purchased	\$0	\$177,795,294
Average interest rate	0.00%	5.72%
Average loan amount	\$0	\$6,363

Home Improvement loan delinquency report as of December 31, 2024:

<u>Days Delinquent</u>	<u>Delinquent</u>		<u>% of Total Loans</u>		
	<u># of Loans</u>	<u>Loan Amount</u>	<u>12/31/24</u>	<u>09/30/24</u>	<u>12/31/23</u>
30-59	1	\$10,705	1.06%	1.41%	0.96%
60-89	2	21,924	2.17%	6.08%	0.57%
Over 90	<u>17</u>	<u>140,821</u>	<u>13.93%</u>	<u>9.59%</u>	<u>14.41%</u>
	<u>20</u>	<u>173,450</u>	<u>17.16%</u>	<u>17.08%</u>	<u>15.94%</u>



MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY  
SEED LOANS, REPAYABLE GRANTS AND BRIDGE LOANS  
December 31, 2024

MSHDA #	DEVELOPMENT	TOTAL AUTHORIZED	TOTAL DISBURSED	TOTAL REPAID	TOTAL WRITE OFF	BALANCE 12/31/2024
280	REPAYABLE FIRE SAFETY GRANTS: BUENA VISTA	56,204	57,097	8,725		48,372
		56,204	57,097	8,725	0	48,372
	REPAYABLE ENERGY CONSERVATION GRANTS:					
17	JACKSON	31,003	31,003	0		31,003
43	BANGOR DOWNS	54,875	54,531	0		54,531
44	OAK MEADOWS	68,262	61,806	2,339		59,467
61	CARL TERRACE	131,117	131,117	0		131,117
568	DIVINE MR	650	650	0		650
708	MADISON SQUARE REHAB	9,182	9,182	0	9,182	0
		295,089	288,289	2,339	9,182	276,768
	REPAYABLE GRANTS:					
678-G	DETROIT NPHC	100,000	100,000	90,870		9,130
HDF-04	JERICO HOUSE	55,000	8,836	0		8,836
HDF-13	INNER CITY CHRISTIAN FEDERATION (ICCF)	75,000	75,000			75,000
HDF-22	NATIONAL CHURCH RESIDENCE	69,183	56,250	0		56,250
HDF-96	WOMEN'S RESOURCE CENTER OF GRAND TRAVERSE AREA	435,000	435,000	0		435,000
HDF-110	PROPERTY STABILIZATION, INC, A MICHIGAN CORPORATION	248,500	245,000	245,000		0
HDF-139	WAYNE METROPOLITAN COMMUNITY ACTION AGENCY	180,000	180,000			180,000
		1,162,683	1,100,086	335,870	0	764,216
HDF-2006-0140-DVHI	UNDERGROUND RAILROAD, INC	600,000	600,000	45,677		554,323
HDF-2006-0493-DVHI	BIG RAPIDS HOUSING COMMISSION	246,415	246,415			246,415
HDF-2006-5040-DVHI	WOMEN'S INFORMATION SERVICES	474,186	528,585	274,143		254,442
HDF-2006-5352-DVHI	SAFE HORIZONS	450,000	450,000	450,000		0
HDF-2006-5148-DVHI	YMCA WEST CENTRAL MICHIGAN	570,000	570,000			570,000
HDF-2006-0341-CHI	GREATER LANSING HOUSING COALITION/FERRIS LDHA LP	500,000	500,000	500,000 (1)		0
HDF-2019-0074-MOD	KALAMAZOO NEIGHBORHOOD HOUSING SERVICES	196,000	196,000	168,330		27,670
HDF-2019-0298-MOD	CITY OF COLDWATER	196,000	308,330	308,436		-106
HDF-2019-0318-MOD	BETHANY HOUSING MINISTRIES	196,000	177,537	145,745	31,792	0
HDF-2019-0493-MOD	BIG RAPIDS HOUSING COMMISSION	196,000	177,970	176,531		1,439
HDF-2019-0530-MOD	CITY OF DOWAGIAC	196,000	380,461	361,752		18,709
HDF-2019-9931-MOD	HABITAT FOR HUMANITY NORTHEAST MICHIGAN	196,000	190,003	129,368		60,635
HDF-2019-9936-MOD	CITY OF BEAVERTON	196,000	352,693	347,653		5,041
HDF-2019-9948-MOD	BARRY COUNTY COMMUNITY FOUNDATION	196,000	196,000	196,000		0
HDF-2020-5936-MOD	GENESEE COUNTY LAND BANK AUTHORITY	196,000	147,000			147,000
HDF-2020-9959-MOD	MARQUETTE COUNTY LAND BANK AUTHORITY	196,000	193,708	156,660		37,048
HDF-2020-9961-MOD	NORTHERN MICHIGAN LIMITED DIVIDEND HOUSING ASSOC, LLC	196,000	196,000	120,051		75,949
HDF-2021-0277-MOD	CITY OF ALBION	200,000	51,382			51,382
HDF-2021-1280-MOD	VILLAGE OF CASSOPOLIS	200,000	200,000	200,300		-300
HDF-2021-9971-MOD	FOUR COUNTY COMMUNITY FOUNDATION	200,000	200,000	126,489		73,511
HDF-2021-9980-MOD	JONES CONSTRUCTION AND DEVELOPMENT LIMITED DEIVIDEND I	200,000	94,845			94,845
HDF-2023-6073-MOD	INGHAM COUNTY LAND BANK FAST TRACK AUTHORITY	210,000	105,000			105,000
HDF-2023-10521-M3D	CITIZENS ROBOTICS	130,000	99,552			99,552
		6,136,601	6,161,481	3,707,135	31,792	2,422,554
	PREDEVELOPMENT LOANS					
HDF-43	NORTHERN HOMES CDC	177,300	177,300	100,000		77,300
HDF-97	NORTHERN HOMES CDC	74,325	71,546	5,631		65,915
HDF-106	INNER CITY CHRISTIAN FED (ICCF)	375,000	547,421	547,421		0
HDF-161	GRAND TRAVERSE COUNTY LAND BANK	65,000	61,444		61,444	0
HDF-212	HOMESTRETCH NPHC	78,650	104,706	104,706		0
HDF-239	CADILLAC HOUSING INITIATIVE PROGRAMS	56,720	30,275		30,275	0
HDF-359	AVALON HOUSING	150,000	148,193	148,193		0
HDF-388	OCEANNA COUNTY HOUSING COMMISSION NONPROFIT CORP	101,254	101,254	101,254		0
HDF-390	HOMESTRETCH NPHC	58,700	53,507	53,507		0
HDF-391	LINC UP NON-PROFIT CORP	82,149	82,149	82,149		0
HDF-420	AVALON HOUSING INC	150,000	133,269	133,269		0
		1,369,098	1,511,063	1,276,130	91,719	143,215
	TOTAL SEED LOANS, REPAYABLE GRANTS AND PREDEVELOPMENT LOANS					3,655,125
	LESS: RESERVE FOR LOSS					-1,809,000
	NET REPAYABLE GRANTS, SEED LOANS, AND PREDEVELOPMENT LOANS					1,846,127

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**  
**PASSTHROUGH OBLIGATIONS**

Bonds issued pursuant to Section 44(c) of the Act and not yet called were as follows as of December 31, 2024:

<u>Name</u>	<u>Credit Enhancement</u>	<u>Amount</u>
Berrien Woods III	Federal Home Loan Bank	4,935,814
River Park Village (Whittier)	Fannie Mae	3,595,000
Williams Pavilion	FHA Mortgage Insurance	6,200,000
Sand Creek	Citibank	3,425,000
Sand Creek Village II Apt.	Citibank	5,220,000
Teal Run Apartments	Citibank	6,035,000
Cityline Apartments		23,147,866
Clark Road Family		25,094,000
Clark Road Senior		24,110,000
800 E Court Street		12,710,000
Butternut Creek		9,581,000
Beacon Hill		17,949,000
Lexington Village		42,374,000
Traditions of Holland		16,822,000
Deaconess Towers		18,000,000
Greenhouse Apts		18,568,000
Lawrence Park		20,849,000
Coventry Woods		12,170,000
Birch Park		9,756,000
HOM Flats at 24 East		31,000,000
Flats at Common Carriage		12,000,000
Avon Towers		20,995,000
Midblock Apts		36,000,000
Cambridge Towers		17,000,000
		<u>\$397,536,680</u>

# CURRENT AND HISTORICAL HOMEOWNERSHIP DATA

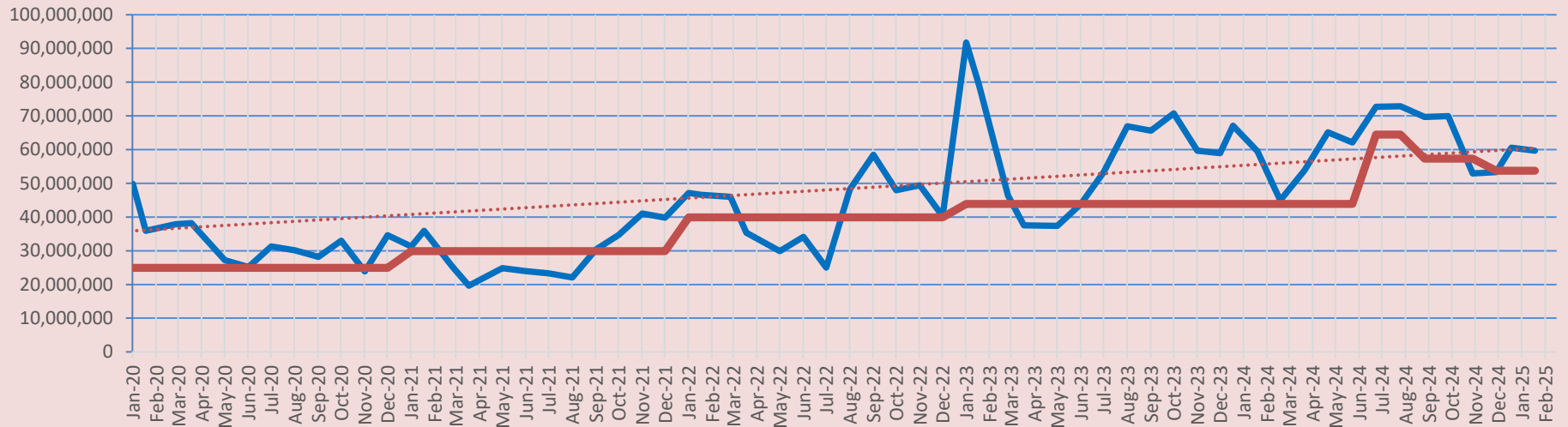
February 2025



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: FEBRUARY 2025**

E

**MI HOME Loan Programs**

**Bond Totals: Snagit Separately**

Series /Date	Month	RESERVATIONS	CASES RECEIVED	COMMITMENTS BEGINNING	COMMITMENTS ISSUED	Cancellations Reinstatements Net	Transfers IN or Adjustment	Transfers OUT or Adjustment	COMMITMENTS ENDING	PURCHASED #1	PURCHASED-DPA	#	PURCHASED Prior Total	PURCHASED NEW Total	1st + DPA TO DATE	NEWEST ALLOCATED										
031	Feb-25	0	\$ -	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	031	\$ 42,529,795.00	\$ 42,529,795.00	\$ 44,964,619.00	\$ 10,000,000.00						
	Jan-25	0	\$ -	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	101	\$ 2,434,824.00	\$ 2,434,824.00	remaining:	\$ (34,964,619.00)						
066	Feb-25	0	\$ -	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	066	\$ 390,010,059.00	\$ 390,010,059.00	\$ 413,954,189.00	\$ 400,000,000.00						
9/5/2023	Jan-25	0	\$ -	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	166	\$ 23,944,130.00	\$ 23,944,130.00	remaining:	\$ (13,954,189.00)						
067	Feb-25	0	\$ -	0	\$0.00	30	\$4,089,478.00	1	\$81,496.00	-2	-\$157,665.00	1	\$77,588.00	-24	-\$3,376,746.00	6	\$714,151.00	0	\$0.00	067	\$ 268,678,005.00	\$ 268,678,005.00	\$ 284,856,187.00	\$ 433,125,471.00		
4/9/2024	Jan-25	0	\$ -	14	\$1,883,636.00	93	\$13,366,313.00	10	\$1,299,675.00	-6	-\$610,125.00	0	-\$662.00	-67	\$9,965,723.00	30	\$4,089,478.00	0	\$0.00	167	\$ 16,178,182.00	\$ 16,178,182.00	remaining:	\$ 148,269,284.00		
068 (510)	Feb-25	52	\$ 6,801,546.00	56	\$7,571,854.00	42	\$6,187,018.00	48	\$6,520,915.00	0	\$0.00	NO TRANSFERS			41	\$5,708,778.00	49	\$6,999,155.00	38	\$364,191.00	068	\$ 13,808,694.00	\$ 20,807,849.00	\$ 21,580,865.00	\$ 49,164,209.00	
10/21/2024	Jan-25	68	\$ 9,796,969.00	53	\$7,760,357.00	41	\$5,865,670.00	48	\$7,130,887.00	0	\$0.00	0	\$0.00	0	\$0.00	42	\$6,187,018.00	47	\$6,809,539.00	31	\$309,519.00	168	\$ 408,825.00	\$ 773,016.00	remaining:	\$ 27,583,344.00
069	Feb-25	408	\$ 61,209,794.00	346	\$50,394,202.00	327	\$48,064,179.00	301	\$43,903,715.00	-1	-\$193,000.00	24	\$3,376,746.00	-1	-\$71,107.00	292	\$42,394,184.00	358	\$52,686,349.00	337	\$3,236,332.00	069	\$ 106,458,730.00	\$ 159,145,079.00	\$ 168,205,672.00	\$ 350,000,000.00
10/30/2024	Jan-25	467	\$ 73,179,110.00	361	\$52,747,129.00	294	\$43,737,301.00	328	\$48,133,536.00	0	\$0.00	67	\$9,965,723.00	0	\$0.00	327	\$48,064,179.00	362	\$53,772,381.00	333	\$3,176,782.00	169	\$ 5,824,261.00	\$ 9,060,593.00	remaining:	\$ 181,794,328.00
<b>TOTAL</b>	<b>Feb-25</b>	<b>460</b>	<b>\$68,011,340.00</b>	<b>402</b>	<b>\$57,966,056.00</b>	<b>399</b>	<b>\$58,340,675.00</b>	<b>350</b>	<b>\$50,506,126.00</b>	<b>-3</b>	<b>-\$350,665.00</b>	<b>25</b>	<b>\$3,454,334.00</b>	<b>-25</b>	<b>-\$3,447,853.00</b>	<b>339</b>	<b>\$48,817,113.00</b>	<b>407</b>	<b>\$59,685,504.00</b>	<b>375</b>	<b>\$3,600,523.00</b>					

<b>MCC</b>		RESERVATIONS	APPS RECEIVED	COMMITMENTS	CERTIFICATES
213 MCC	Feb-25	9	\$ 1,379,467.00	6	\$ 1,041,699.00
12/7/2022	Jan-25	11	\$ 1,734,367.00	8	\$ 1,304,550.00
				7	\$ 1,126,891.00
				13	\$ 2,046,411.00



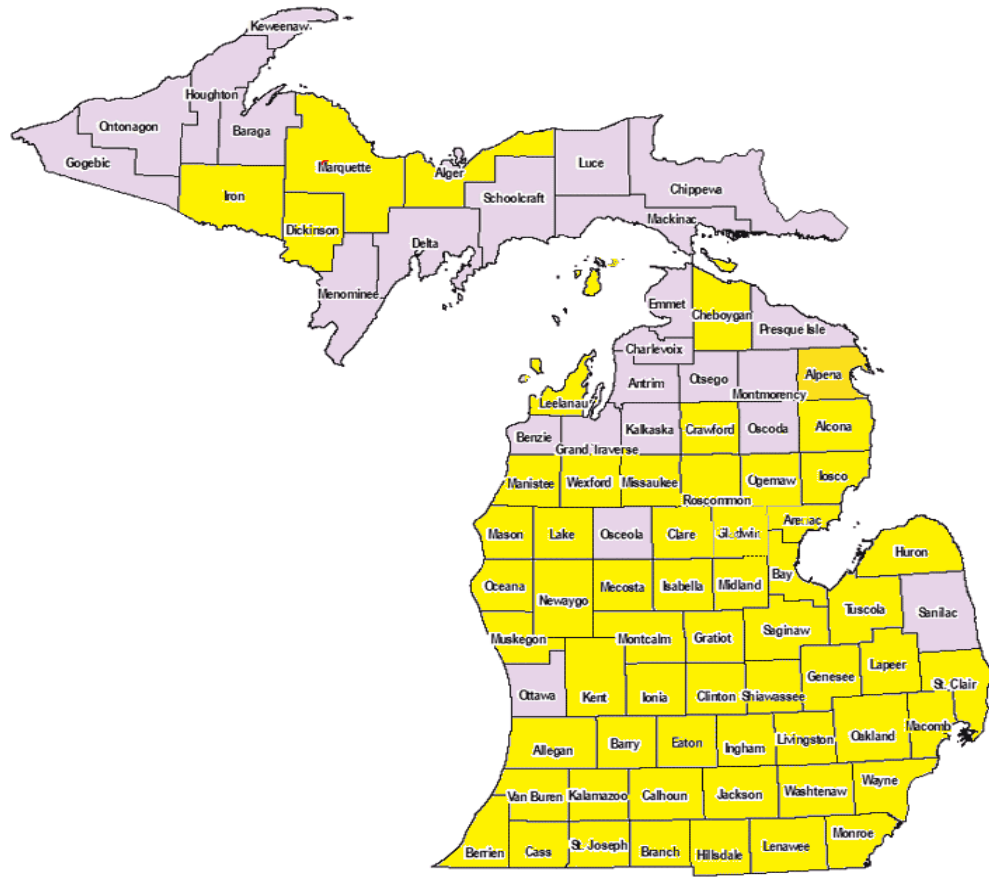
# MI 10K DOWN PAYMENT ASSISTANCE PROGRAM

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.

## FEBRURARY

Loans in 2025	New this month			
County	#	Loan Amt	DPA Amt	Total \$
Alcona				\$ -
Alger				\$ -
Allegan	3	\$ 529,130	\$ 28,256	\$ 557,386
Alpena	1	\$ 162,900	\$ 10,000	\$ 172,900
Antrim				\$ -
Arenac	1	\$ 52,700	\$ 9,813	\$ 62,513
Baraga				\$ -
Barry	3	\$ 523,320	\$ 30,000	\$ 553,320
Bay	14	\$ 1,833,064	\$ 136,262	\$ 1,969,326
Benzie				\$ -
Berrien	5	\$ 690,810	\$ 49,892	\$ 740,702
Branch				\$ -
Calhoun	8	\$ 1,235,668	\$ 78,613	\$ 1,314,281
Cass	4	\$ 564,342	\$ 39,100	\$ 603,442
Charlevoix				\$ -
Cheboygan	1	\$ 178,125	\$ 10,000	\$ 188,125
Chippewa				\$ -
Clare	1	\$ 89,031	\$ 7,650	\$ 96,681
Clinton	1	\$ 130,950	\$ 10,000	\$ 140,950
Crawford				\$ -
Delta				\$ -
Dickinson	1	\$ 130,000	\$ 9,631	\$ 139,631
Eaton	3	\$ 413,623	\$ 29,553	\$ 443,176
Emmet				\$ -
Genesee	24	\$ 3,124,252	\$ 230,604	\$ 3,354,856
Gladwin	2	\$ 315,128	\$ 19,526	\$ 334,654
Gogebic				\$ -
Grand Traverse				\$ -
Gratiot	8	\$ 889,613	\$ 71,658	\$ 961,271
Hillsdale	1	\$ 134,657	\$ 8,980	\$ 143,637
Houghton				\$ -
Huron	2	\$ 240,553	\$ 19,098	\$ 259,651
Ingham	20	\$ 2,760,784	\$ 180,492	\$ 2,941,276
Ionia	5	\$ 754,075	\$ 47,639	\$ 801,714
Iosco	2	\$ 231,932	\$ 17,014	\$ 248,946
Iron				\$ -
Isabella	4	\$ 605,700	\$ 38,517	\$ 644,217
Jackson	17	\$ 2,217,777	\$ 159,001	\$ 2,376,778
Kalamazoo	15	\$ 2,161,526	\$ 146,263	\$ 2,307,789
Kalkaska				\$ -
Kent	15	\$ 2,966,826	\$ 145,995	\$ 3,112,821
Keweenaw				\$ -
Lake	1	\$ 166,920	\$ 10,000	\$ 176,920
Lapeer	3	\$ 348,215	\$ 26,715	\$ 374,930
Leelanau				\$ -
Lenawee	3	\$ 423,842	\$ 30,000	\$ 453,842
Livingston	3	\$ 550,596	\$ 27,462	\$ 578,058

Luce				\$	-
Mackinac				\$	-
Macomb	31	\$ 4,514,399	\$ 296,902	\$	4,811,301
Manistee	2	\$ 223,100	\$ 14,050	\$	237,150
Marquette	1	\$ 152,000	\$ 10,000	\$	162,000
Mason				\$	-
Mecosta	1	\$ 196,377	\$ 7,052	\$	203,429
Menominee				\$	-
Midland	3	\$ 356,183	\$ 26,771	\$	382,954
Missaukee	1	\$ 112,100	\$ 9,300	\$	121,400
Monroe	3	\$ 514,764	\$ 29,953	\$	544,717
Montcalm	7	\$ 1,156,991	\$ 67,521	\$	1,224,512
Montmorency	1	\$ 124,500	\$ 10,000	\$	134,500
Muskegon	14	\$ 2,268,796	\$ 135,288	\$	2,404,084
Newaygo				\$	-
Oakland	16	\$ 2,590,870	\$ 157,740	\$	2,748,610
Oceana	1	\$ 137,464	\$ 7,929	\$	145,393
Ogemaw				\$	-
Ontonagon				\$	-
Osceola				\$	-
Oscoda				\$	-
Otsego				\$	-
Ottawa				\$	-
Presque Isle				\$	-
Roscommon	2	\$ 211,817	\$ 19,800	\$	231,617
Saginaw	14	\$ 1,806,396	\$ 137,502	\$	1,943,898
Saint Clair	10	\$ 1,284,780	\$ 98,495	\$	1,383,275
Saint Joseph	4	\$ 557,688	\$ 39,961	\$	597,649
Sanilac				\$	-
Schoolcraft				\$	-
Shiawassee	5	\$ 689,901	\$ 48,845	\$	738,746
Tuscola	1	\$ 121,000	\$ 10,000	\$	131,000
Van Buren	3	\$ 436,653	\$ 30,000	\$	466,653
Washtenaw	7	\$ 1,310,213	\$ 68,856	\$	1,379,069
Wayne	77	\$ 11,482,511	\$ 746,824	\$	12,229,335
Wexford				\$	-
<b>10K DPA TOTAL</b>	<b>375</b>	<b>\$ 54,674,562</b>	<b>\$ 3,600,523</b>	<b>\$</b>	<b>58,275,085</b>
<b>Total Purchases</b>	<b>407</b>	<b>\$ 59,685,504</b>	<b>\$ 3,600,523</b>	<b>\$</b>	<b>63,286,027</b>
<b>Percentage that used DPA</b>	<b>92%</b>	<b>92%</b>	<b>100%</b>		<b>92%</b>



# 2025 BOARD CALENDAR

JANUARY
VOTING ITEMS:
<ul style="list-style-type: none"><li>Intent to Reimburse Resolution</li></ul>
DISCUSSION ITEMS:

FEBRUARY
VOTING ITEMS:
DISCUSSION ITEMS:
<ul style="list-style-type: none"><li>FY 2024-2025 PHA Plan</li></ul>
<ul style="list-style-type: none"><li>Single Family Bond Deal</li></ul>

MARCH
VOTING ITEMS:
<ul style="list-style-type: none"><li>FY 2024-2025 PHA Plan</li><li>Single Family Bond Deal</li></ul>
DISCUSSION ITEMS:

APRIL
VOTING ITEMS:
DISCUSSION ITEMS:

MAY
VOTING ITEMS:
DISCUSSION ITEMS:
<ul style="list-style-type: none"><li>2025-26 Budget</li></ul>

JUNE
VOTING ITEMS:
<ul style="list-style-type: none"><li>2025-26 Budget</li></ul>
DISCUSSION ITEMS:
<ul style="list-style-type: none"><li>Pass-Through Program</li></ul>

JULY
VOTING ITEMS:
<ul style="list-style-type: none"><li>Pass-Through Program</li></ul>
DISCUSSION ITEMS:
<ul style="list-style-type: none"><li>Multifamily Bond Deal</li></ul>

AUGUST
VOTING ITEMS:
<ul style="list-style-type: none"><li>Multifamily Bond Deal</li></ul>
DISCUSSION ITEMS:

SEPTEMBER
VOTING ITEMS:

OCTOBER
VOTING ITEMS:

<b>DISCUSSION ITEMS:</b>

<b>DISCUSSION ITEMS:</b>
<ul style="list-style-type: none"> <li>• Board Meeting Schedule for 2026</li> </ul>

<b>NOVEMBER</b>
<b>VOTING ITEMS:</b>
<ul style="list-style-type: none"> <li>• Approval of Board Meeting Schedule for 2026</li> </ul>
<b>DISCUSSION ITEMS:</b>
<ul style="list-style-type: none"> <li>• Audited Year-End 6/30/2025 Financials</li> </ul>

<b>DECEMBER</b>
<b>VOTING ITEMS:</b>
<b>DISCUSSION ITEMS:</b>