

PRELIMINARY OFFICIAL STATEMENT DATED [_____] , 2020

NEW ISSUE – BOOK-ENTRY ONLY

RATING: Moody's: "Aaa"
(See "RATING" herein)

In the opinion of Bryant Miller Olive P.A., Tallahassee, Florida, Bond Counsel, assuming continuing compliance with certain tax covenants, under existing statutes, regulations, rulings and judicial decisions, interest on the Bonds (as defined herein) is excluded from gross income for federal income tax purposes except that such exclusion shall not apply to interest on any Bond for any period during which such Bond is held by a person who is a "substantial user" of the facilities financed by the Bonds or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended. Additionally, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax. See "TAX MATTERS" herein for a description of certain other federal tax consequences of ownership of the Bonds.

\$11,880,000*
HOUSING FINANCE AUTHORITY OF LEON COUNTY, FLORIDA
Multifamily Housing Revenue Bonds
(Pass-Through - Magnolia Terrace), Series 2020

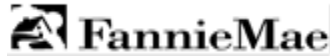
Maturity Date: March 1, 2037*; Final Payment Date: March 26, 2037*; Interest Rate: ___%; Price: ___%; CUSIP No.: _____†

Dated Date: February 1, 2020*

The above-captioned bonds (the "Bonds") will be issued under the provisions of an Indenture of Trust dated as of February 1, 2020 (the "Indenture") between the Housing Finance Authority of Leon County, Florida (the "Issuer") and The Bank of New York Mellon Trust Company, N.A., a national banking association, as trustee for the Bonds (the "Trustee"). The Bonds will be issued in book-entry form only, in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"), as fully registered bonds in the denominations of \$1,000 or any integral multiples of \$1.00 in excess thereof. Interest on and principal of the Bonds will be payable by the Trustee to Cede & Co., as nominee of DTC.

The Bonds are being issued by the Issuer to finance a portion of the cost of the acquisition, rehabilitation, and equipping of a 108-unit residential rental housing development known as Magnolia Terrace located in Leon County, Florida (the "Project"), and pay certain additional costs related thereto. See "THE BORROWER, THE PROJECT AND THE PRIVATE PARTICIPANTS" herein.

The Bonds will initially be collateralized by (i) the deposit into the Collateral Security Principal Account of the Collateral Security Fund under the Indenture of the proceeds received from the assignment to CBRE Multifamily Capital, Inc. (the "Lender") of a first mortgage loan (the "Mortgage Loan") to be made by the Issuer to LIH Magnolia Terrace, LP, a Florida limited partnership (the "Borrower"), and fully funded in an amount equal to the original principal amount of the Bonds on the date of issuance of the Bonds (such assigned Mortgage Loan being referred to herein as the "Assigned Loan"), and (ii) the deposit to the Collateral Security Interest Account of the Collateral Security Fund of Bond proceeds in an amount sufficient to pay the interest on the Bonds to but not including April 28, 2020* (the "Initial Mandatory Redemption Date"). Upon the satisfaction of certain conditions described herein as set forth in the Indenture, the Trustee will use moneys on deposit in the Collateral Security Fund to acquire a Guaranteed Mortgage Pass-Through Certificate (the "Pass-Through Certificate"), backed by the Mortgage Loan on the Project, and to be issued by Fannie Mae.



It is expected that the Pass-Through Certificate will be acquired by the Trustee prior to March 26, 2020* (the "First Payment Date"), and in any event prior to the Initial Mandatory Redemption Date, unless such Initial Mandatory Redemption Date is extended as provided in the Indenture. Principal and interest will initially be paid from funds (including accrued interest, if any) on deposit in the Collateral Security Fund until the month following the Purchase Date (as defined herein), at which time payments in an amount equal to the principal and interest paid on the Pass-Through Certificate will be passed through to Bondholders on each Payment Date. "Payment Date" means (i) the First Payment Date, (ii) prior to the Purchase Date and prior to the Initial Mandatory Redemption Date, as such date may be extended pursuant to the Indenture, the 26th day of the month (or the next Business Day if the 26th is not a Business Day), (iii) commencing in the first month immediately following the month in which the Purchase Date occurs, one Business Day after each date on which a payment of principal, interest, and/or premium, if any, is made pursuant to the Pass-Through Certificate (which shall be the 25th day of the month, or the next Business Day if the 25th is not a Business Day, after payment is due on the underlying Mortgage Loan), and (iv) with respect to any redemption pursuant to the provisions described in paragraph (e) under the caption "DESCRIPTION OF THE BONDS – Optional Exchange of Bonds for Pass-Through Certificate," the Business Day on which the Trustee receives funds pursuant to the provisions described in the foregoing paragraph (e). The payment of interest on a Payment Date is the interest accrued during the preceding calendar month. There shall be no further accrual of interest from the Maturity Date to the final Payment Date.

If the Pass-Through Certificate is not acquired by the Trustee prior to the Initial Mandatory Redemption Date, as such date may be extended pursuant to the Indenture, the Bonds will be redeemed at a redemption price of par plus interest accrued on the Bonds to but not including the Initial Mandatory Redemption Date (as such date may be extended under the Indenture) from moneys on deposit in the Collateral Security Fund under the Indenture.

The Bonds are subject to mandatory redemption at the times and in the events set forth in the Indenture and described herein.

THE PRINCIPAL INSTALLMENTS OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE ISSUER, BUT ARE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER SECURED BY THE TRUST ESTATE, ARE AND WILL ALWAYS BE PAYABLE SOLELY FROM THE REVENUES AND INCOME DERIVED FROM THE TRUST ESTATE (EXCEPT TO THE EXTENT PAID OUT OF MONEYS ATTRIBUTABLE TO PROCEEDS OF THE BONDS OR THE INCOME FROM THE TEMPORARY INVESTMENT THEREOF), AND ARE AND WILL ALWAYS BE A VALID CLAIM OF THE OWNER THEREOF ONLY AGAINST THE REVENUES AND INCOME DERIVED FROM THE TRUST ESTATE, WHICH REVENUES AND INCOME MAY BE USED FOR NO OTHER PURPOSE THAN TO PAY THE PRINCIPAL INSTALLMENTS OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS, EXCEPT AS MAY BE EXPRESSLY AUTHORIZED OTHERWISE IN THE INDENTURE AND IN THE FINANCING AGREEMENT. THE OBLIGATION TO PAY THE PRINCIPAL INSTALLMENTS OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS DO NOT NOW AND WILL NEVER CONSTITUTE A DEBT OR AN OBLIGATION OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF AND NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF WILL BE LIABLE THEREFOR, WITHIN THE PURVIEW OF ANY CONSTITUTIONAL LIMITATION OR PROVISION, OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS, IF ANY, OF ANY OF THEM, BUT WILL BE SECURED AS AFORESAID, AND WILL BE PAYABLE SOLELY FROM THE REVENUES AND INCOME DERIVED FROM THE TRUST ESTATE (EXCEPT AS STATED AFORESAID). NO OWNER OF THE BONDS WILL HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER, IF ANY, OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO PAY ANY PRINCIPAL INSTALLMENT OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS. THE ISSUER HAS NO TAXING POWER. THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA. THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OR ANY OTHER FEDERAL GOVERNMENTAL AGENCY AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES.

IF THE PASS-THROUGH CERTIFICATE IS ISSUED BY FANNIE MAE AND ACQUIRED BY THE TRUSTEE AS COLLATERAL FOR THE BONDS, FANNIE MAE'S OBLIGATIONS WILL BE SOLELY AS PROVIDED IN THE PASS-THROUGH CERTIFICATE AND IN THE FANNIE MAE MBS PROSPECTUS SUMMARIZED AT APPENDIX G – "FANNIE MAE MORTGAGE-BACKED SECURITIES PROGRAM" AND IN THE FORM OF PROPOSED ADDITIONAL DISCLOSURE ADDENDUM ATTACHED HERETO AS APPENDIX I. THE OBLIGATIONS OF FANNIE MAE UNDER THE PASS-THROUGH CERTIFICATE WILL BE OBLIGATIONS SOLELY OF FANNIE MAE, A FEDERALLY CHARTERED CORPORATION, AND WILL NOT BE BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA. THE BONDS ARE NOT AND WILL NOT BE A DEBT OF THE UNITED STATES OF AMERICA NOR ANY OTHER AGENCY OR INSTRUMENTALITY OF THE UNITED STATES OF AMERICA NOR OF FANNIE MAE. THE BONDS ARE NOT AND WILL NOT BE GUARANTEED BY THE FULL FAITH AND CREDIT OF FANNIE MAE NOR THE UNITED STATES OF AMERICA.

The Bonds are offered when, as and if issued and received by the Underwriter, and subject to the delivery of the approving legal opinion of Bryant Miller Olive P.A., Tallahassee, Florida, Bond Counsel to the Issuer, and to certain other conditions. Certain legal matters will be passed upon for the Issuer by its Counsel, Nabors, Giblin & Nickerson, P.A., Tampa, Florida. Certain legal matters will be passed upon for Fannie Mae by its Office of General Counsel and by its Special Counsel, DLA Piper LLP (US). Certain legal matters will be passed upon for the Borrower by its Counsel, Nelson Mullins Broad and Cassel, Orlando, Florida. RBC Capital Markets, LLC will serve as Underwriter ("Underwriter"). Certain legal matters will be passed upon for the Underwriter by its Counsel, Norris George & Ostrow PLLC, Washington, D.C. It is expected that the Bonds will be available for delivery in New York, New York through the facilities of DTC on or about _____, 2020.



Dated: _____, 2020

*Preliminary; subject to change.

†CUSIP numbers have been assigned by an independent company not affiliated with the Issuer and are included solely for the convenience of the owners of the Bonds. Neither the State nor the Issuer is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Bonds or the Pass-Through Certificate or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

This Preliminary Official Statement and certain of the information contained herein is in a form deemed final for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (except for the omission of certain information permitted to be omitted under Rule 15c2-12(b)(1)). The information herein is subject to revision, completion or amendment in a final Official Statement. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds to any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized by the Issuer, the Borrower, Fannie Mae or the Underwriter to give any information or to make any representations other than as contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing.

The information set forth herein has been obtained from the Issuer; Fannie Mae; the Borrower (in the case of information contained herein relating to the Borrower, the Mortgage Loan and the Project); and other sources which are believed to be reliable. Such information herein is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by any of such sources as to information from any other source. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer, Fannie Mae or the Borrower, since the date hereof.

The information set forth herein relating to the Issuer under the headings “THE ISSUER” and “NO LITIGATION – The Issuer” has been obtained from the Issuer. The Issuer has not reviewed or approved any information in this Official Statement except the information relating to the Issuer under the foregoing headings. The information herein is subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer since the date hereof. The Issuer has not and will not agree to provide any annual financial statements or other credit information of the Issuer to investors on a periodic basis.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS AND DEALER BANKS AND OTHERS AT A PRICE LOWER THAN THE PUBLIC OFFERING PRICE STATED ON THE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICE MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

THE BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT.

Fannie Mae has not reviewed or undertaken to determine the accuracy of any of the information contained in this Official Statement, other than providing a link to the template Fannie Mae MBS Prospectus in APPENDIX G and the Additional Disclosure Addendum in APPENDIX I, and makes no representation or warranty, express or implied, as to any of the other matters contained in this Official Statement, including, but not limited to (i) the accuracy or completeness of such information, (ii) the suitability of the Bonds for any investor, (iii) the feasibility or performance of any project, (iv) the structure, provisions or terms of the Bonds and any cash flows related thereto, or (v) compliance with any securities, tax or other laws or regulations including but not limited to the validity of the Bonds and the tax-exempt status of the Bonds. Fannie Mae’s role with respect to the Bonds is limited to issuing and discharging its obligations under the Pass-Through Certificate if and when delivered.

The Trustee has not participated in the preparation of this Official Statement or any other disclosure documents relating to the Bonds. Except for information under the heading “THE TRUSTEE,” the Trustee has or assumes no responsibility as to the accuracy or completeness of any information contained in this Official Statement or any other such disclosure documents.

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HOUSING FINANCE AUTHORITY OF LEON COUNTY, FLORIDA

\$11,880,000*

**Multifamily Housing Revenue Bonds
(Pass-Through - Magnolia Terrace), Series 2020**

This Official Statement (including the cover page, the inside cover page and appendices) provides certain information concerning the Issuer in connection with the sale of \$11,880,000* in aggregate principal amount of its Multifamily Housing Revenue Bonds (Pass-Through - Magnolia Terrace), Series 2020 (the “Bonds”).

The Bonds are authorized to be issued pursuant to the Florida Housing Finance Authority Law, Sections 159.601 through 159.623, Part IV, Florida Statutes, as amended; Chapter 2, Article III, Division 3, Sections 2071 et seq., Leon County Code of Laws, as supplemented and amended; a Resolution of the Issuer adopted on March 15, 2019 and a Resolution of the Issuer adopted on February 13, 2020; Resolution No. 2019-09 of the Board of County Commissioners of Leon County, Florida adopted on May 28, 2019; and other applicable provisions of law (collectively, the “Act”), and pursuant to an Indenture of Trust, dated as of February 1, 2020 (the “Indenture”) between the Housing Finance Authority of Leon County, Florida (the “Issuer”) and The Bank of New York Mellon Trust Company, N.A., as Trustee (the “Trustee”). Pursuant to the Indenture, bonds issued thereunder are equally and ratably secured by the pledges and covenants contained therein. Certain defined terms used herein are set forth in APPENDIX A hereto.

SUMMARY OF THE BONDS

This summary highlights information contained elsewhere in this Official Statement. As a summary, it speaks in general terms without giving details or discussing any exceptions. Before buying the Bonds, one should have the information necessary to make a fully informed investment decision. For that, one must read this Official Statement in its entirety (and any documents to which we refer in this Official Statement).

The Issuer..... The Issuer is a public body corporate and politic duly created, organized and existing under the laws of the State of Florida (the “State”). The Issuer is empowered pursuant to the Act to issue its bonds for the purposes, among others, of financing the acquisition, rehabilitation, and development of multifamily residential rental projects.

Limited Obligations..... **The principal installments of, premium, if any, and interest on the Bonds are not general obligations of the Issuer, but are special, limited obligations of the Issuer secured by the Trust Estate, and will always be payable solely from the revenues and income derived from the Trust Estate (except to the extent paid out of moneys attributable to proceeds of the Bonds or the income from the temporary investment thereof), and are and will always be a valid claim of the owner thereof only against the revenues and income derived from the Trust Estate, which revenues and income may be used for no other purpose than to pay the principal installments of, premium, if any, and interest on the Bonds, except as may be expressly authorized otherwise in the Indenture and in the Financing Agreement. The obligation to pay the principal installments of, premium, if any, and interest on the Bonds do not now and will never constitute a debt or an obligation of the State or any political subdivision thereof and neither the State nor any political subdivision thereof will be liable therefor, within the purview of any constitutional limitation or provision, or a charge against the general credit or taxing powers, if any, of any of them, but will be secured as aforesaid, and will be payable solely from the revenues and income derived from the Trust Estate (except as stated aforesaid). No owner of the Bonds will have the right to compel**

* Preliminary; subject to change.

the exercise of the taxing power, if any, of the State or any political subdivision thereof to pay any principal installment of, premium, if any, or interest on the Bonds. The Issuer has no taxing power. The Bonds are not a debt of the United States of America, the United States Department of Housing and Urban Development or any other federal governmental agency and are not guaranteed by the full faith and credit of the United States.

The Borrower.....	LIH Magnolia Terrace, LP, a Florida limited partnership (the “Borrower”). The Borrower is a single purpose entity formed to acquire, rehabilitate and operate the Project.
The Project.....	Magnolia Terrace, a 108-unit residential rental housing facility consisting of twenty-eight residential buildings and one office building in Leon County, Florida (the “Project”).
The Bonds, the Mortgage Loan and the Pass-Through Certificate.....	The Bonds will be issued under the provisions of the Indenture. The Bonds will be issued in book-entry form only, in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York (“DTC”), as fully registered bonds in the denomination of \$1,000 or any integral multiples of \$1.00 in excess thereof.

The Bonds are being issued by the Issuer to finance a portion of the cost of the acquisition, rehabilitation and equipping of the Project and pay certain additional costs related thereto.

Upon the issuance of the Bonds, Bond proceeds in an amount equal to the interest thereon to but not including April 28, 2020* (the “Initial Mandatory Redemption Date”) (together with accrued interest, if any) will be deposited to the Collateral Security Interest Account of the Collateral Security Fund under the Indenture, and the balance of the Bond proceeds will be deposited into the Proceeds Fund. Pursuant to the terms of a Financing Agreement dated as of February 1, 2020 (the “Financing Agreement”) among the Issuer, the Trustee, the Borrower and CBRE Multifamily Capital, Inc. (the “Lender”), Bond proceeds deposited into the Proceeds Fund will (i) be used to pay or reimburse the Borrower for payment of certain costs of the Project or (ii) will be deposited to a Rehabilitation Account of the Proceeds Fund and used as directed by the Lender for rehabilitation of the Project. Bond proceeds (other than amounts deposited to the Collateral Security Interest Account, and bond premium, if any, deposited to the Collateral Security Principal Account) shall not be part of the Trust Estate securing repayment of the Bonds.

The Bonds will initially be collateralized, in part, by the deposit into the Collateral Security Principal Account of the Collateral Security Fund under the Indenture of the proceeds received from the assignment to the Lender of a first mortgage loan (the “Mortgage Loan”) to be made and fully funded in an amount equal to the original principal amount of the Bonds on the date of issuance of the Bonds (such assigned Mortgage Loan being referred to herein as the “Assigned Loan”). The Bonds will be further collateralized by the deposit to the Collateral Security Interest Account of the Collateral Security Fund of Bond proceeds in an amount sufficient to pay the interest on the Bonds to but not including the Initial Mandatory Redemption Date. The Trustee will use moneys on deposit in the Collateral Security Fund to acquire a Guaranteed Mortgage Pass-Through Certificate (the “Pass-Through Certificate”), backed by the Mortgage Loan on the Project, and to be issued

by Fannie Mae, upon satisfaction of the conditions set forth in the Indenture and upon satisfaction of the conditions precedent to the issuance of the Pass-Through Certificate and compliance with the commitment between Fannie Mae and the Lender.

It is anticipated that the conditions to the issuance of the Pass-Through Certificate will be satisfied and that the Pass-Through Certificate will be available for acquisition by the Trustee prior to March 26, 2020* (the “First Payment Date”), and in any event prior to the Initial Mandatory Redemption Date, unless such Initial Mandatory Redemption Date is extended as provided in the Indenture. Payments of principal and interest on the Bonds will initially be payable from funds (including accrued interest, if any) on deposit in the Collateral Security Fund until the month following the Purchase Date (as defined herein), at which time payments in an amount equal to the principal and interest paid on the Pass-Through Certificate, if issued, will be passed through to Bondholders on each Payment Date (as defined below – see “Bond Payment Dates”).

Extraordinary Redemption For Failure to Purchase Pass-Through Certificate.....

If the Pass-Through Certificate is not acquired by the Trustee prior to the Initial Mandatory Redemption Date (as such date may be extended pursuant to the Indenture) the Bonds will be redeemed at a redemption price of par plus interest accrued on the Outstanding principal amount of the Bonds to but not including the Initial Mandatory Redemption Date (as such date may be extended under the Indenture), from moneys on deposit in the Collateral Security Fund under the Indenture.

Optional Exchange of Bonds for Pass-Through Certificate.....

At certain times, a Beneficial Owner of Bonds may file with the Trustee a written request to exchange Bonds for a like principal amount of the Pass-Through Certificate. See “DESCRIPTION OF THE BONDS – Optional Exchange of Bonds for Pass-Through Certificate.”

Bond Payment Dates.....

Payment Date (on the Bonds) means (i) the First Payment Date, (ii) prior to the Purchase Date and prior to the Initial Mandatory Redemption Date, as such date may be extended pursuant to the Indenture, the 26th day of the month (or the next Business Day if the 26th is not a Business Day), (iii) commencing in the first month immediately following the month in which the Purchase Date occurs, one Business Day after each date principal, interest, or premium, if any, payment is made pursuant to the Pass-Through Certificate (which shall be the 25th day of the month, or the next Business Day if the 25th is not a Business Day, after payment is due on the underlying Mortgage Loan), and (iv) with respect to any redemption pursuant to the provisions described in paragraph (e) under the caption “DESCRIPTION OF THE BONDS – Optional Exchange of Bonds for Pass-Through Certificate,” the Business Day on which the Trustee receives funds pursuant to the provisions described in paragraph (e) under the caption “DESCRIPTION OF THE BONDS – Optional Exchange of Bonds for Pass-Through Certificate.” The payment of interest on a Payment Date is the interest accrued on the Mortgage Loan and the Pass-Through Certificate at the Pass-Through Rate during the preceding calendar month. For example, if the Pass-Through Certificate is acquired by the Trustee prior to the First Payment Date (March 26, 2020*), then on such date the Bondholders will receive a payment of interest on the Bonds in an amount equal to the interest at the Pass-Through Rate which is equal to the interest rate on the Bonds, which accrued on the Bonds during the

* Preliminary; subject to change.

month of February 2020*. Except as otherwise described herein with respect to certain payments prior to the Purchase Date, the Bonds are pass-through securities designed to pass through to registered owners of the Bonds principal and interest payments on the Pass-Through Certificate one Business Day after their receipt by the Trustee. There shall be no further accrual of interest from the Maturity Date (March 1, 2037*) to the final Payment Date on the Bonds (March 26, 2037*). After the Purchase Date, any balance remaining in the Collateral Security Interest Account of the Collateral Security Fund, after application of moneys therein to pay any accrued interest on the Pass-Through Certificate or interest on the Bonds on the next Payment Date, as applicable, will be transferred to the Proceeds Fund or otherwise disbursed to the Borrower (after application of moneys therein to pay accrued interest). See “Effective Yield on Bonds Lower Than Interest Rate on Pass-Through Certificate” below.

Interest Payments on the Bonds.....

Prior to the Purchase Date and in the month the Purchase Date occurs, interest payments on the Bonds will equal accrued interest on the Bonds to but not including the next Payment Date. After the month in which the Purchase Date occurs, interest payments on the Bonds will equal interest payments received by the Trustee on each Distribution Date (as defined herein) for the Pass-Through Certificate, which is expected to commence on April 27, 2020*. Although interest accrues on the Pass-Through Certificate during a calendar month, as described above, Fannie Mae will not distribute interest to the Trustee as certificateholder until the Distribution Date in the following calendar month. Interest on the Bonds shall be calculated on an “Actual/360” basis. “Actual/360” means a computation of interest accrual on the basis of a three hundred sixty (360) day year and the actual number of calendar days during the applicable month, calculated by multiplying the unpaid principal balance of the Bonds by the Pass-Through Rate, dividing the product by three hundred sixty (360), and multiplying the quotient obtained by the actual number of days elapsed in the applicable month.

Principal Payments on the Bonds.....

Prior to the Purchase Date and in the month the Purchase Date occurs, principal payments on the Bonds will equal the amount set forth in the Mortgage Loan amortization schedule on the first day of the month in which such Payment Date occurs. After the month in which the Purchase Date occurs, principal payments on the Bonds will equal principal payments received by the Trustee on the Pass-Through Certificate on each Distribution Date for the Pass-Through Certificate. The final principal payment on the Pass-Through Certificate will occur on March 25, 2037*, which principal payment will pass through to the registered owners of the Bonds on the following Business Day.

Regularly scheduled payments of principal (and interest) on the Mortgage Loan will be passed through monthly on the Pass-Through Certificate. Unscheduled principal payments on the Mortgage Loan also will be passed through on the Pass-Through Certificate. A portion of the prepayment premium, if collected, may be shared with certificateholders under the circumstances described in “**YIELD, MATURITY AND PREPAYMENT CONSIDERATIONS—Maturity and Prepayment Considerations—Prepayment of a Mortgage Loan—Prepayment Premiums**” in the Fannie Mae MBS Prospectus. Any prepayment premium that is allocable to certificateholders is not guaranteed by Fannie Mae. Additionally, any prepayment premium paid after the yield maintenance end date will not be

* Preliminary; subject to change.

passed through to certificateholders. See APPENDIX G hereto.

Effective Yield on Bonds Lower Than Interest Rate on Pass-Through Certificate.....	As stated above, because of the lag in payments of interest and principal inherent in the Pass-Through Certificate and the one (additional) Business Day (as defined in the Indenture) lag in payment inherent in the Bonds, the effective yield on the Bonds will be lower than the Pass-Through Rate on the Pass-Through Certificate and the stated interest rate on the Bonds.
Same Terms of Bonds and Pass-Through Certificate.....	Prior to the Purchase Date, the terms of the Bonds, including, without limitation, the dated date, the Pass-Through Rate, Payment Dates and prepayment provisions, shall be the same as would have been the case if the Pass-Through Certificate had already been purchased by the Trustee and had been in place as of the Closing Date.
Tax Exemption.....	On the date of delivery of the Bonds, Bryant Miller Olive P.A., Tallahassee, Florida, Bond Counsel, will deliver their opinion that, assuming continuing compliance with certain tax covenants, under existing statutes, regulations, rulings and judicial decisions, interest on the Bonds (as defined herein) is excluded from gross income for federal income tax purposes except that such exclusion shall not apply to interest on any Bond for any period during which such Bond is held by a person who is a "substantial user" of the facilities financed by the Bonds or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended. Additionally, the opinion will state that interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax. See "TAX MATTERS" herein for a description of certain other federal tax consequences of ownership of the Bonds.

Limited Role of Fannie Mae

IF THE PASS-THROUGH CERTIFICATE IS ISSUED BY FANNIE MAE AND ACQUIRED BY THE TRUSTEE AS COLLATERAL FOR THE BONDS, FANNIE MAE'S OBLIGATIONS WILL BE SOLELY AS PROVIDED IN THE PASS-THROUGH CERTIFICATE AND IN THE FANNIE MAE MBS PROSPECTUS SUMMARIZED AT APPENDIX G – "FANNIE MAE MORTGAGE-BACKED SECURITIES PROGRAM" AND IN THE FORM OF PROPOSED ADDITIONAL DISCLOSURE ADDENDUM ATTACHED HERETO AS APPENDIX I. THE OBLIGATIONS OF FANNIE MAE UNDER THE PASS-THROUGH CERTIFICATE WILL BE OBLIGATIONS SOLELY OF FANNIE MAE, A FEDERALLY CHARTERED CORPORATION, AND WILL NOT BE BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA. THE BONDS ARE NOT AND WILL NOT BE A DEBT OF THE UNITED STATES OF AMERICA NOR ANY OTHER AGENCY OR INSTRUMENTALITY OF THE UNITED STATES OF AMERICA NOR OF FANNIE MAE. THE BONDS ARE NOT AND WILL NOT BE GUARANTEED BY THE FULL FAITH AND CREDIT OF FANNIE MAE NOR THE UNITED STATES OF AMERICA.

THE ISSUER

The information under this heading has been furnished by the Issuer, and has not been independently verified by the Trustee, the Borrower, or the Underwriter. None of the Trustee, the Borrower, or the Underwriter makes any representation whatsoever as to the accuracy, adequacy or completeness of such information.

General

The Issuer is a separate body corporate and politic created by Leon County (the “County”) pursuant to the Act. The Issuer is composed of a seven-member Board of Directors. The Issuer is authorized, in furtherance of the public purposes described in the Act, to alleviate a shortage of affordable housing and capital investment for persons, or families of low, moderate or middle income of the County.

The seven members of the Issuer, all of whom are appointed by the Board of County Commissioners of the County, are set out below. Members of the Issuer serve terms not exceeding four years or until a successor is appointed.

<u>Members</u>	<u>Occupation</u>	<u>Term Expires</u>
Marnie George, Chair	Governmental Consultant	September 30, 2020
Mike Rogers, Vice Chair	Real Estate Consultant	September 30, 2020
Dr. Jeffrey Sharkey, Secretary	Governmental Consultant	September 30, 2021
Andrew Gay, Treasurer	Certified Public Accountant	September 30, 2021
Thomas Lewis, Member	Real Estate Consultant	September 30, 2020
Gail Milon, Member	Financial Consultant	September 30, 2021
Charles White, Member	Real Estate Developer/Consultant	September 30, 2023

The Issuer will neither own, build, nor develop the multifamily rental housing development for which the proceeds of the Bonds will ultimately be utilized, and the Issuer will have no responsibility with respect thereto or with respect to the collection, transfer or payment of any of the moneys derived from any such developments.

Mark Hendrickson of The Hendrickson Company serves as the Issuer contact. His office is located at 1404 Alban Avenue, Tallahassee, Florida 32301, and his email address is mark@thehendricksoncompany.com.

THE MORTGAGE LOAN

The Indenture authorizes the Issuer to issue the Bonds to finance a portion of the cost of the acquisition, rehabilitation and equipping of the Project and pay certain additional costs related thereto. The Bonds will be secured initially by the proceeds from the assignment to the Lender of the Mortgage Loan (to be funded from sources other than the proceeds of the Bonds in an amount equal to the original principal amount of the Bonds) deposited in the Collateral Security Fund, as described herein (see “SUMMARY OF THE BONDS – The Bonds, the Mortgage Loan and the Pass-Through Certificate”) and then by the Pass-Through Certificate, if issued. Fannie Mae is expected to deliver the Pass-Through Certificate to the Trustee on the Purchase Date, as described herein. The Lender has undertaken to certify that the Pass-Through Certificate has terms consistent with the Term Sheet and meets the requirements set forth in the Indenture, on which certification the Trustee may rely and act without further investigation. The Mortgage Loan is to be evidenced by the Mortgage Note, executed by the Borrower in favor of the Lender and secured by the Mortgage. The Borrower is required under the Mortgage Note to make monthly payments sufficient in the aggregate to pay debt service on the Mortgage Loan.

The ability of the Borrower to pay the Mortgage Loan is dependent on the revenues derived from the Project. See “CERTAIN BONDHOLDERS’ RISKS – Estimated Rental Revenues / Vacancies” herein.

Failure of the Borrower to make payments when due under the Mortgage Loan will result in an event of default under the Mortgage Loan and may result in a mandatory redemption of all or a portion of the Bonds. See “DESCRIPTION OF THE BONDS – Redemption of Bonds; Prepayment” herein.

The Mortgage Loan is a non-recourse obligation of the Borrower with respect to which neither the Borrower nor its partners have personal liability and as to which the Borrower and its partners have not pledged for the benefit of the Bondholders any of their respective assets, other than the Project and its rents, profits and proceeds.

THE BORROWER, THE PROJECT AND THE PRIVATE PARTICIPANTS

The Borrower

The Borrower is LIH Magnolia Terrace, LP, a Florida Limited Partnership (the “Borrower”) that was formed for the specific purpose of acquiring, rehabilitating and operating the Project. As such, the Borrower has not previously engaged in any other business operation and has no historical earnings and has no assets other than its interest in the Project. Accordingly, it is expected that the Borrower will not have any sources of funds to make payments on the Mortgage, other than revenues generated by the Project.

The general partner of the Borrower is LIH Magnolia Terrace GP, LLC, a Florida limited liability company (the “General Partner”), which has a 0.01% membership interest in the Borrower. The General Partner and/or its delegates will have the responsibility for supervising the operations of the Borrower and will be responsible for overseeing the operation and management of the Project. Jacob Levy is the manager of the General Partner.

Organized on June 18, 2019, Magnolia Terrace Developer, LLC, a Florida limited liability company (the “Developer”) is 100% owned by Jacob Levy and formed exclusively for the purpose of serving as the Developer contracting the improvements for Magnolia Terrace Apartments. Jacob Levy has been in the business of acquiring, owning, and developing affordable apartment complexes for six years. Mr. Levy began his career with Levy Affiliates, a Wilshire California based real estate development company with a portfolio of retail, office and multifamily properties.

Jacob Levy, currently operates low income housing tax credit projects real estate of more than 25 apartment complexes containing approximately 2,900 units across seven states.

The Project

The Bonds are being issued to finance a portion of the acquisition and rehabilitation costs of the Project, which is a 108-unit residential rental housing facility known as Magnolia Terrace, located at 509 East Magnolia Drive, Tallahassee, Florida 32301. The rehabilitation of the Project is anticipated to commence on or about March 2020* and is expected to be completed on or about December 2020*.

The Project is intended to be a project based section 8 affordable housing apartment for qualifying section 8 eligible tenants and households. Project amenities are expected to include laundry facilities, a community room, and a playground. The Project’s tenants are expected to remain in residence during the rehabilitation. The unit mix of the Project is as follows:

Number Of Rental Units	Composition	Approximate Square Footage
25	1 Bedroom / 1 Bath	600
50	2 Bedroom / 1 Bath	777
25	3 Bedroom / 1.5 Bath	904
8	4 Bedroom / 1.5 Bath	1,042
<hr/>		
TOTAL: 108		

The General Contractor

The general contractor for the Project is expected to be Wilshire Pacific Builders, LLC (the “General Contractor”). The General Contractor has over ten years of experience in renovating residential multifamily housing developments.

Any previous experience of the General Contractor is no assurance that the Development will be successful.

* Preliminary; subject to change.

Property Manager

The Project will be managed by Strategic Management Partners, LLC, a Georgia limited liability company (the “Property Manager”). The Property Manager was established in Georgia and currently manages over 20,000 multifamily units throughout Florida, Alabama, Georgia, South Carolina and Texas.

Any previous experience of the Property Manager is no assurance that the Development will be successful.

The Architect

The architect for the Project will be Mark Anderson Architects, Inc. dba Pacific Rim Architects (the “Architect”). Established in 2015 by Mark Anderson and Ulises Araujo, the practice incorporated in 2017 and provides architectural, construction management and accessibility services for both public agencies and private clients. The Architect has been the principal architect on eight multifamily projects containing nearly 1,000 units throughout California and Florida while also serving as accessibility consultant on numerous other multifamily projects. Mr. Anderson is also licensed in Washington, Nevada, Arizona, Texas, South Carolina and North Carolina.

Any previous experience of the Architect is no assurance that the Development will be successful.

The HAP Contract

The Borrower will receive the benefit of a new 20-year HAP Contract covering all 108 units at the Project (the “HAP Contract”).

Income and Rent Restrictions

The Borrower is restricted by several agreements that limit the incomes of, and rents that may be charged to, its tenants. Generally, the Land Use Restriction Agreement, by and among the Issuer, the Trustee and the Borrower (the “Regulatory Agreement”), is expected to limit the incomes of tenants in at least 100% of the units to individuals or families having an annual household income which does not exceed 60% of area median gross income (“AMI”).

In addition, restrictions contained in a Low Income Housing Tax Credit Extended Use Agreement between the Borrower and the Issuer to be executed by the Borrower on or after the Closing Date (the “Extended Use Agreement”) related to the Tax Credits are expected to require the Borrower to rent at least 100% of the residential rental units in the Project to tenants whose annual household income does not exceed 60% of AMI and to charge rents which do not exceed 30% of imputed income for the size of such tenant’s apartment (subject to various adjustments).

In connection with the HAP Contract, the Borrower will enter into a new Section 8 Use Agreement (“Section 8 Use Agreement”) that encumbers the Project requiring the Borrower to maintain the Project as affordable housing for low-income families for a period of twenty (20) years in accordance with the Section 8 project-based housing assistance payment program (the “Section 8 Program”).

In the event of any conflict among these regulatory agreements, the more restrictive provisions of the Regulatory Agreement, the Extended Use Agreement, or Section 8 Use Agreement are expected to control. See the summary of the Regulatory Agreement in APPENDIX D to this Official Statement and “TAX MATTERS” herein.

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Plan of Financing

The sources and uses to develop the Project are expected to be approximately as follows:

Sources of Funds*

Mortgage Loan	\$11,880,000
Tax Credit Equity	5,763,000
Seller Loan	1,000,000
Deferred Developer Fee	<u>1,071,176</u>
Total Sources of Funds at Closing	\$19,714,176

Uses of Funds*

Acquisition Costs	\$9,175,000
Rehabilitation & Construction Costs	5,922,164
Financial Costs	768,425
General Development Costs	299,147
Capitalized Interest	434,339
Operating and Other Reserves	500,000
Developer Fee	<u>2,615,101</u>
Total Uses of Funds at Closing	\$19,714,176

Sources and Uses of Funds Under the Indenture

Sources of Funds

Bond Proceeds (including accrued interest)	\$
Proceeds of Mortgage Loan	
Total Sources of Funds at Closing	<u>\$</u>

Uses of Funds

Deposit to Collateral Security Interest Account of the Collateral Security Fund ¹	\$
Deposit of Bond Proceeds (net of deposit to Collateral Security Interest Account) to the Proceeds Fund	
Deposit of Assigned Loan Proceeds to Collateral Security Principal Account of Collateral Security Fund	
Total Uses of Funds at Closing	<u>\$</u>

¹ The deposit to the Collateral Security Interest Account of the Collateral Security Fund has been calculated to be sufficient to cover the interest which will become due on the Bonds to but not including the Initial Mandatory Redemption Date.

Mortgage Loan

Simultaneously with the closing of the Bonds, the Lender will make the Mortgage Loan to the Borrower in an amount equal to \$11,880,000*. The Mortgage Loan will be secured by a lien on the property and bear interest at the rate of ___% per annum. The Mortgage Loan will have a term of 17* years and will be amortized over 35* years. As described herein, on the Purchase Date, Fannie Mae is expected to deliver the Pass-Through Certificate to the Trustee in exchange for Mortgage Loan proceeds in an amount equal to the Outstanding principal amount of the Mortgage Loan. Following the Purchase Date, payments on the Bonds will be payable by the Trustee from payments received by the Trustee pursuant to the Pass-Through Certificate.

* Preliminary; subject to change.

Tax Credits

Simultaneously with the issuance of the Bonds, the Borrower expects to admit HCP-ILP, LLC, a Nevada limited liability company (the “Investment Partner”) to the Borrower with a 99.99% membership interest in the Borrower. The funding of the Tax Credit equity by the Investment Partner is expected to total approximately \$5,763,000*. The funding levels and the timing of the funding are subject to numerous adjustments and conditions which could result in the amounts funded and/or the timing or even occurrence of the funding varying significantly from the projections set forth above and no representation is made as to the availability of such funds.

Seller Loan

Simultaneously with the issuance of the Bonds, Affordable Housing America, Inc., a [_____] corporation (the “Seller Loan Lender”) will make a loan to the Borrower in an amount equal to approximately \$1,000,000* (the “Seller Loan”). The Seller Loan will be secured by a subordinate mortgage, will be repayable from 33% of cash flow, will bear interest at a rate of 3.35% per annum, and will mature on February __, 2075*.

FANNIE MAE

The Pass-Through Certificate, if issued by Fannie Mae and acquired by the Trustee as described herein, will be an obligation of Fannie Mae. **The securities of Fannie Mae, including the Pass-Through Certificate, if issued, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or any agency or instrumentality thereof other than Fannie Mae.**

Information on Fannie Mae and its financial condition are contained in periodic reports that are filed with the Securities and Exchange Commission (the “SEC”). Fannie Mae’s SEC filings are available at the SEC’s website at www.sec.gov and are also available on Fannie Mae’s web site at <http://www.fanniemae.com> or from Fannie Mae at the Office of Investor Relations at 202-752-7115.

Fannie Mae makes no representation as to the contents of this Official Statement (other than the link to the template Fannie Mae MBS Prospectus in Appendix G and the Additional Disclosure Addendum in Appendix I), the suitability of the Bonds for any investor, the feasibility of performance of any project, or compliance with any securities, tax or other laws or regulations. Fannie Mae’s role with respect to the Bonds is limited to issuing and discharging its obligations under the Pass-Through Certificate and exercising the rights reserved to it in the Indenture.

DESCRIPTION OF THE BONDS

General

The Bonds will be issued as registered bonds in authorized denominations of \$1,000 or any integral multiples of \$1.00 in excess thereof. The Bonds will be dated February 1, 2020*. Principal and interest will initially be paid from funds (including accrued interest, if any) on deposit in the Collateral Security Fund until the month following the Purchase Date, at which time payments in an amount equal to the principal and interest paid on the Pass-Through Certificate will be passed through to Bondholders on each Payment Date. Payment Date is defined as (i) the First Payment Date, (ii) prior to the Purchase Date and prior to the Initial Mandatory Redemption Date, as such date may be extended pursuant to the Indenture, the 26th day of the month (or the next Business Day if the 26th is not a Business Day), (iii) commencing in the first month immediately following the month in which the Purchase Date occurs, one Business Day after each date principal, interest, or premium, if any, payment is made pursuant to the Pass-Through Certificate (which shall be the 25th day of the month, or the next Business Day if the 25th is not a Business Day, after payment is due on the underlying Mortgage Loan), and (iv) with respect to any redemption pursuant to the provisions described in paragraph (e) under the caption “Optional Exchange of Bonds for Pass-Through Certificate” below, the Business Day on which the Trustee receives funds pursuant to the provisions described in paragraph (e) under the caption “Optional Exchange of Bonds for Pass-Through Certificate” below.

* Preliminary; subject to change.

The payment of interest on a Payment Date is the interest accrued during the preceding calendar month. There shall be no further accrual of interest from the Maturity Date to the final Payment Date. After the Purchase Date, any balance remaining in the Collateral Security Interest Account of the Collateral Security Fund, after application of moneys therein to pay any accrued interest on the Pass-Through Certificate or interest on the Bonds on the next Payment Date, as applicable, will be transferred to the Proceeds Fund or otherwise disbursed to the Borrower. As further described herein and in the Fannie Mae MBS Prospectus, the Pass-Through Certificate and the Bonds pay interest monthly on an Actual/360 Basis. "Actual/360" means, in the case of the Bonds, a computation of interest accrual on the basis of a three hundred sixty (360) day year and the actual number of calendar days during the applicable month, calculated by multiplying the unpaid principal balance of the Bonds (which is expected to be the same as the balance on the Pass-Through Certificate), by the Pass-Through Rate, dividing the product by three hundred sixty (360), and multiplying the quotient obtained by the actual number of days elapsed in the applicable month.

Payment of the principal of and interest or premium, if any, on any Bond shall be made to the person appearing on the Bond Register as the registered owner thereof as of the applicable Record Date, on and after the Purchase Date, in the amounts and on the dates interest, principal and premium, if any, is paid on the Pass-Through Certificate (except if the Bonds are redeemed due to a failure to purchase the Pass-Through Certificate). See "DESCRIPTION OF THE BONDS – Redemption of Bonds; Prepayment" below. The principal of and the interest on the Bonds shall be payable in coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts of the United States of America.

Registration, Transfer and Exchange of Bonds; Persons Treated as Owners

The Issuer shall cause books for the registration, transfer and exchange of the Bonds as provided in the Indenture to be kept by the Trustee, which is constituted and appointed the bond registrar with respect to the Bonds (the "Bond Registrar"). At reasonable times and under reasonable regulations established by the Trustee, said books may be inspected and copied by the Issuer or by owners (or a designated representative thereof) of a majority in aggregate principal amount of the Bonds then Outstanding.

The registration of each Bond is transferable by the registered owner thereof in person or by its attorney duly authorized in writing at the designated corporate trust office of the Trustee. Upon surrender for registration of transfer of any Bond at such office, the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Bond of the same maturity or maturities and authorized denomination for the same aggregate principal amount. Bonds to be exchanged shall be surrendered at said designated corporate trust office of the Trustee, and the Trustee shall authenticate and deliver in exchange therefore a Bond of equal aggregate principal amount of the same maturity and authorized denomination. The transferor shall also provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045. The Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

All Bonds presented for registration of a transfer, exchange or payment (if so required by the Issuer or the Trustee) shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Trustee, duly executed by the registered owner or by its duly authorized attorney.

The Issuer, the Bond Registrar and the Trustee shall not be required (a) to issue, register the transfer of or exchange any Bonds during a period beginning at the Trustee's opening of business on the applicable Record Date and ending at the Trustee's close of business on the applicable Payment Date; or (b) to register the transfer of or exchange any Bond selected, called or being called for redemption as provided in the Indenture. No charge shall be made to any Bondholder for the privilege of registration of transfer or exchange as provided in the Indenture, but any Bondholder requesting any such registration of transfer or exchange shall pay any tax or governmental charge required to be paid therefor.

New Bonds delivered upon any registration of transfer or exchange shall be valid obligations of the Issuer, evidencing the same debt as the Bonds surrendered, shall be secured by the Indenture and shall be entitled to all of the security and benefits of the Indenture to the same extent as the Bonds surrendered.

The person in whose name any Bond is registered shall be deemed the owner thereof by the Issuer and the Trustee, and any notice to the contrary shall not be binding upon the Issuer or the Trustee. Notwithstanding anything in the Indenture to the contrary, to the extent the Bonds are Book Entry Bonds, the provisions of the Indenture shall govern the exchange and registration of Bonds.

Book-Entry System; Limited Obligation

The Bonds shall be initially issued in the form of a separate single fully registered Bond (which may be typewritten) for each maturity of the Bonds. Upon initial execution, authentication and delivery, the ownership of each such global Bond shall be registered in the Bond Register in the name of the Nominee as nominee of the Depository. Except as described below under the caption "Transfer Outside Book-Entry System," all of the Outstanding Bonds shall be registered in the Bond Register kept by the Trustee in the name of the Nominee and the Bonds may be transferred, in whole but not in part, only to the Depository, to a Substitute Depository or to another nominee of the Depository or of a Substitute Depository. Each global Bond shall bear a legend substantially to the following effect: "UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE INDENTURE) TO THE TRUSTEE 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 THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), 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." See "BOOK-ENTRY ONLY SYSTEM" below.

With respect to Bonds registered in the Bond Register in the name of the Nominee, the Issuer and the Trustee shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds a beneficial interest in the Bonds. Without limiting the immediately preceding sentence, the Issuer and the Trustee shall have no responsibility or obligation with respect to (a) the accuracy of the records of the Depository, the Nominee or any Participant with respect to any beneficial ownership interest in the Bonds, (b) the delivery to any Participant, Beneficial Owner or any other person, other than the Depository, of any notice with respect to the Bonds, including any redemption notice with respect to the Bonds, including any redemption notice following a failure to purchase the Pass-Through Certificate, (c) the selection by the Depository and the Participants of the beneficial interests in the Bonds to be redeemed in part, or (d) the payment to any Participant, Beneficial Owner or any other person, other than the Depository, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The Issuer and the Trustee may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute owner of such Bond for the purpose of payment of the principal of, premium, if any, and interest on such Bond, for the purpose of giving redemption notices pursuant to the Indenture and other notices with respect to such Bond, and for all other purposes whatsoever, including, without limitation, registering transfers or exchanges with respect to the Bonds.

The Trustee shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Bondholders, as shown in the Bond Register kept by the Trustee as of the Record Date, or their respective attorneys duly authorized in writing, and all such payments shall be valid under the Indenture with respect to payment of the principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Bondholder, as shown in the Bond Register as of the Record Date, shall receive a Bond evidencing the obligation to make payments of the principal, premium, if any, and interest pursuant to the Indenture. Upon delivery by the Depository to the Trustee and the Issuer of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions of the Indenture with respect to Record Dates, the word Nominee in the Indenture shall refer to such new nominee of the Depository.

The Issuer and the Trustee will recognize the Depository or its nominee as the Bondholder of Book Entry Bonds for all purposes, including receipt of payments, notices and voting, provided the Trustee may recognize votes

by or on behalf of Beneficial Owners as if such votes were made by Bondholders of a related portion of the Bonds when such votes are received in compliance with an omnibus proxy of the Depository or otherwise pursuant to the rules of the Depository or the provisions of the Representation Letter or other comparable evidence delivered to the Trustee by the Bondholders.

SO LONG AS A BOOK ENTRY SYSTEM OF EVIDENCE OF TRANSFER OR OWNERSHIP OF ALL THE BONDS IS MAINTAINED IN ACCORDANCE WITH THE INDENTURE, THE PROVISIONS OF THE INDENTURE RELATING TO THE DELIVERY OF PHYSICAL BOND CERTIFICATES SHALL BE DEEMED TO GIVE FULL EFFECT TO SUCH BOOK ENTRY SYSTEM AND ALL DELIVERIES OF ANY SUCH BONDS SHALL BE MADE PURSUANT TO THE DELIVERY ORDER PROCEDURES OF DTC, AS IN EFFECT FROM TIME TO TIME.

Initial Depository and Nominee

The initial Depository under the Indenture shall be DTC. The initial Nominee shall be Cede & Co., as nominee of DTC. See “BOOK-ENTRY ONLY SYSTEM” below.

Representation Letter

In order to qualify the Bonds for the Depository’s book-entry system, if necessary, any Authorized Officer is authorized to execute, seal, countersign and deliver on behalf of the Issuer to such Depository a letter from the Issuer in substantially the Depository’s standard form representing such matters as shall be necessary to so qualify the Bonds (the “Representation Letter”). The Representation Letter includes such letter as it may be amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor. The execution by the Issuer and delivery of the Representation Letter shall not in any way limit the provisions described under the heading “Book-Entry System; Limited Obligation” above, or in any other way impose upon the Issuer any obligation whatsoever with respect to persons having beneficial interests in the Bonds other than the registered owners, as shown in the Bond Register kept by the Trustee. In the written acceptance by the Trustee of the Representation Letter, the Trustee agrees to take all actions necessary for all representations of the Issuer in the Representation Letter with respect to the Trustee to at all times be complied with. In addition to the execution and delivery of the Representation Letter, any Authorized Officer is authorized to take any other actions, not inconsistent with the Indenture, to qualify the Bonds for the Depository’s book-entry program.

The terms and provisions of the Representation Letter shall govern in the event of any inconsistency between the provisions of the Indenture and the Representation Letter. The Representation Letter may be amended without Bondholder consent.

Transfers Outside Book-Entry System

If at any time the Issuer determines that continuation of the book entry system through DTC (or a successor securities Depository) is not in the best interest of the owners of the Bonds, if at any time the Depository notifies the Issuer and the Trustee that it is unwilling or unable to continue as Depository with respect to the Bonds or if at any time the 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 Substitute Depository is not appointed by the Issuer within 90 days after the Issuer and the Trustee receive notice or become aware of such condition, as the case may be, the provisions described under the heading “Book-Entry System; Limited Obligation” above shall no longer be applicable and the Issuer shall execute and the Trustee shall authorize and deliver bonds representing the Bonds as provided below. In addition, the Issuer may determine at any time that the Bonds shall no longer be represented by global bonds and that the provisions described under the heading “Book-Entry System; Limited Obligation” above shall no longer apply to the Bonds. In any such event, the Issuer shall execute and the Trustee shall authenticate and deliver bonds representing the Bonds as provided below. Bonds issued in exchange for global bonds pursuant to the provisions described under this caption shall be registered in such names and delivered in such authorized denominations as the Depository, pursuant to instructions from the Participants or otherwise, shall instruct the Issuer and the Trustee. The Trustee shall deliver such bonds representing the Bonds to the persons in whose names such Bonds are so registered.

If the Issuer determines to replace the Depository with another qualified securities depository, the Issuer shall prepare or cause to be prepared a new fully-registered global bond for each of the maturities of each type of Bond, registered in the name of such successor or substitute securities depository or its nominee, or make such other arrangements as are acceptable to the Issuer, the Trustee and such securities depository and not inconsistent with the terms of the Indenture.

In connection with any proposed transfer outside the Book-Entry Only system, the Issuer or DTC shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045. The Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

Payments and Notices to the Nominee

Notwithstanding any other provision of the Indenture to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the Representation Letter or as otherwise instructed by the Depository, with duplicate information transmitted to Bloomberg at its notice address set forth in the Indenture.

Payment of Bonds Not in Book-Entry Only Form

Unless the Bonds are Book Entry Bonds, the principal of the Bonds shall be payable to the registered owners thereof upon presentation (except no presentation is required in connection with a redemption of Bonds as described in clauses (i) or (iii) under the caption “Redemption of Bonds; Prepayment – Mandatory Redemption from Principal Payments or Prepayments” or “Redemption of Bonds; Prepayment – Mandatory Redemption upon Failure to Purchase the Pass-Through Certificate” below) at the designated corporate trust office of the Trustee or its successors. Unless the Bonds are Book Entry Bonds, payments of interest on the Bonds and redemption of the Bonds shall be paid by check or draft mailed to the registered owner thereof as of the applicable Record Date at such owner’s address as it appears on the registration books maintained by the Trustee on the applicable Record Date or at such other address as is furnished to the Trustee in writing by such registered owner. The Trustee shall cause CUSIP number identification with appropriate dollar amounts for each CUSIP number to accompany all payments of principal, interest or the Redemption Price made to such owners, whether such payment is made by check or wire transfer. All payments of principal of, premium, if any, and interest on Book Entry Bonds shall be made and given at the times and in the manner set out in the Representation Letter, as more fully specified under the captions “Book-Entry System; Limited Obligation” and “Representation Letter” above.

Optional Exchange of Bonds for Pass-Through Certificate

(a) A Beneficial Owner of the Bonds may file with the Trustee a written request to exchange Bonds for a like principal amount of the Pass-Through Certificate in the form of notice of request to exchange attached hereto as Appendix J or such other form as may be approved by the Trustee (the “Request Notice”), provided, that (i) the exchanged Pass-Through Certificate will be, when delivered, in an original face amount equal to \$1,000 or a multiple of \$1.00 in excess thereof, and (ii) the Project is complete and placed in service by the Borrower as evidenced by a certificate of occupancy (if applicable) for the Project delivered by the Borrower to the Trustee accompanied by a letter from the Borrower confirming that the Project is placed in service for purposes of Section 42 of the Code. A Request Notice filed with the Trustee by a Beneficial Owner at a time when items (i) and (ii) of the preceding sentence are not satisfied shall be of no force or effect and the Trustee shall notify the Beneficial Owner who provided the Request Notice that the exchange request cannot be accommodated. Such Request Notice must specify the date on which the exchange is requested, which shall be not less than five (5) Business Days after receipt by the Trustee of the Request Notice (the “Exchange Date”). The Beneficial Owner will arrange with its securities dealer (and/or DTC participant) to deliver such Bonds to the Trustee (via DTC withdrawal or Deposit/Withdrawal At Custodian (“DWAC”)) on or before the Exchange Date. Upon receipt of such Bonds from the requesting Beneficial Owner, the Trustee will promptly cancel the Bonds being exchanged or redeemed, which will not be reissued. Upon receipt of a Request Notice, the Trustee shall immediately notify the Issuer, the Borrower

and the Lender of such Request Notice, irrespective of whether the Trustee has received evidence of the placed in service status of the Project.

(b) The Issuer shall then have the option, in its sole discretion, of either (i) delivering to the Beneficial Owner of the Bonds its proportional interest in the Pass-Through Certificate based upon its proportional interest in the Bonds, or (ii) redeeming the Beneficial Owner's Bonds for an amount equal to the Cash Value ("Cash Value") as of the Transfer Date, determined as follows:

Cash Value = original face amount of the Pass-Through Certificate x MBS Factor x (1 + Redemption Premium (R) + (Initial Offering Premium (I) x MBS Factor)) – an amount equal to the principal to be received by such Beneficial Owner on the next Payment Date (if the date of redemption occurs between the Record Date and such Payment Date)

Where R = 5% if the exchange occurs during the first five years from the Closing Date;
= 4% during the sixth year;
= 3% during the seventh year;
= 2% during the eighth year;
= 1% during the ninth year; and
= 0% thereafter

and I = initial offering price of the Bonds - 100%

(c) The Issuer shall notify the Trustee of its decision whether to exchange or redeem within three (3) Business Days of being notified by the Trustee of the Request Notice; if the Issuer elects to redeem Bonds, such notice shall provide the Trustee with the calculated Cash Value as of the date of determination, which may vary from the calculated Cash Value as of the Transfer Date. As soon as practicable upon receiving notice of the Issuer's decision, the Trustee shall notify such Beneficial Owner of the Issuer's decision and, if applicable, of such Cash Value. The Trustee shall have no duty to calculate or confirm or verify that the calculation of such Cash Value meets the requirements set forth in the Indenture.

(d) In the event that the Issuer elects to exchange the Pass-Through Certificate in lieu of redeeming the Bonds, after determining that the conditions of clauses (i) and (ii) of the first sentence of paragraph (a) have been satisfied, the Trustee shall transfer and deliver to such requesting Beneficial Owner the Trustee's beneficial ownership interest in a like principal amount of the Pass-Through Certificate (appropriately reduced by any principal payment received or to be received by the Beneficial Owner as a result of it being the record owner of the Bonds to be exchanged on the next succeeding Payment Date) promptly following (i) delivery to the Trustee (via DWAC) of the Bonds being exchanged and (ii) payment by the requesting owner of the Trustee's exchange fee (\$2,500 as of the date of the Indenture) with respect to such Bonds. Such Pass-Through Certificate will be in book-entry form. Transfers of the Pass-Through Certificate will be made in accordance with current market practices, including the applicable provisions of the SIFMA's Uniform Practices for the Clearance and Settlement of Mortgage-Backed Securities and Other Related Securities. The Pass-Through Certificate delivered in such an exchange will not be exchangeable for Bonds. If the Exchange Date is subsequent to a Record Date and prior to a corresponding Payment Date for the Bonds, the Trustee shall wire the applicable principal and interest payments on the exchanged Bonds to the Beneficial Owner using the wire transfer instructions set forth on the Request Notice.

(e) If the Issuer elects to redeem Bonds, the Beneficial Owner shall arrange with its securities dealer (and/or DTC participant) to deliver such Bonds to the Trustee (via DTC withdrawal or DWAC) on or before the Exchange Date. Once the DTC DWAC has been verified and approved by the Trustee, the Trustee shall transfer the current like principal amount of the Pass-Through Certificate to or upon the order of the Issuer in exchange for an amount equal to the Cash Value as of the Transfer Date plus accrued interest to the date of redemption (less any interest to be received by the Beneficial Owner on the next Payment Date if the redemption occurs between the Record Date and such Payment Date) (the date on which the Trustee makes such transfer is referred to as the "Transfer Date"), from funds provided by the Issuer, and apply the proceeds of such transfer to the payment of the Redemption Price of the Bonds on the Payment Date by wiring such amount to the Beneficial Owner at its wire transfer instructions set forth on the Request Notice.

(f) None of Fannie Mae, the Trustee or the Issuer shall have any liability to the Beneficial Owner arising from (i) the exercise by the Issuer in its sole discretion of the option to exchange or redeem the Bonds, (ii) any exchange or redemption of Bonds effected by the Indenture, or (iii) any of the costs or expenses of the exchange or redemption. Interest on the Pass-Through Certificate is not excludable from gross income for federal income tax purposes. Owners of Bonds should consult their own tax advisors concerning that and other tax consequences of any exchange of a Bond for the Pass-Through Certificate.

Redemption of Bonds; Prepayment

The Bonds shall be subject to redemption prior to the stated maturity thereof only as set forth in the Indenture as described under this caption.

Mandatory Redemption from Principal Payments or Prepayments. The Bonds are subject to mandatory redemption, in whole or in part, in the amounts and one Business Day after the dates (i) scheduled principal payments are received pursuant to the Pass-Through Certificate at a Redemption Price equal to 100% of the principal amount received pursuant to the Pass-Through Certificate, plus interest received pursuant to the Pass-Through Certificate, (ii) unscheduled principal payments are received with respect to the Pass-Through Certificate as a result of a partial or full prepayment of the Mortgage Loan or a purchase of the Mortgage Loan from the applicable MBS pool, at a Redemption Price equal to 100% of the principal amount received pursuant to the Pass-Through Certificate, plus interest and premium, if any, received pursuant to the Pass-Through Certificate, or (iii) on which prior to the Purchase Date, redemption is otherwise required under the provisions of the Indenture. Notwithstanding the provisions described under the caption “Notice of Redemption” below, no prior notice shall be a prerequisite to the effectiveness of any redemption under clause (i), (ii), or (iii) described in this paragraph, and, with respect to clause (ii), such redemption shall occur and be effective irrespective of whether the Trustee fulfills its obligation to provide the notice with respect to such redemption required by the provisions described under the caption “Notice of Redemption” below.

Mandatory Redemption upon Failure to Purchase the Pass-Through Certificate. The Bonds are subject to mandatory redemption in whole on April 28, 2020* (as such date may be extended, the “Initial Mandatory Redemption Date”) at a Redemption Price equal to 100% of the Outstanding principal amount of the Bonds plus interest accrued thereon to, but not including, the Initial Mandatory Redemption Date upon five Business Days’ notice if (i) a Purchase Date has not occurred by the last date on which timely notice of such redemption may be given preceding such Initial Mandatory Redemption Date and (ii) an Extension Deposit has not been made pursuant to the Indenture, such that the balance in the Collateral Security Fund is equal to 100% of the Outstanding principal amount of the Bonds plus interest accrued on the Bonds to but not including the new proposed Mandatory Redemption Date. If the notice for any such mandatory redemption was conditioned upon the Purchase Date not having occurred before the close of business on the second Business Day preceding the Initial Mandatory Redemption Date and such Purchase Date does in fact occur, the noticed mandatory redemption shall not occur. In the event that the Pass-Through Certificate has not been purchased by the Trustee 10 Business Days prior to the Initial Mandatory Redemption Date, the Trustee shall provide written notice to the Borrower and the Issuer of such non-purchase.

Mandatory Redemption in Lieu of Exchange. The Bonds are subject to mandatory redemption in whole or in part in the event the Issuer elects pursuant to the provisions described under the caption “Optional Exchange of Bonds for Pass-Through Certificate” above to redeem a Beneficial Owner’s Bonds for an amount equal to the Cash Value in lieu of delivering to the Beneficial Owner of the Bonds its proportional interest in the Pass-Through Certificate based upon its proportional interest in the Bonds. Any such redemption shall be made in the amounts, from the sources and in accordance with the provisions described under the caption “Optional Exchange of Bonds for Pass-Through Certificate” above.

Notice of Redemption

When the Trustee receives notice that the Pass-Through Certificate will be prepaid (other than pursuant to the provisions described under the caption “Optional Exchange of Bonds for Pass-Through Certificate” above), the

* Preliminary; subject to change.

Trustee, in accordance with the provisions of the Indenture, shall use its best efforts to give the Bondholders not less than 20 nor more than 30 days' notice of the redemption of the Bonds pursuant to the provisions described in clause (ii) under the caption "Redemption of Bonds; Prepayment – Mandatory Redemption from Principal Payments or Prepayments" above, which notice shall specify the following: (i) the maturity dates and principal amounts of the Bonds to be redeemed; (ii) the CUSIP number, if any, of the Bonds to be redeemed; (iii) the date of such notice; (iv) the issuance date for such Bonds; (v) the interest rate on the Bonds to be redeemed; (vi) the redemption date; (vii) any conditions to the occurrence of the redemption; (viii) the place or places where amounts due upon such redemption will be payable; (ix) the Redemption Price; (x) the Trustee's name and address with a contact person and a phone number; and (xi) that on the redemption date, the Redemption Price shall be paid. Such notice for the Bonds other than Book-Entry Bonds shall be sent to the holders of the Bonds by first-class mail, postage prepaid, at their respective addresses appearing on the Bond Register. Neither the giving of such notice by the Trustee nor the receipt of such notice by the Bondholders shall be a condition precedent to the effectiveness of any such redemption.

Notwithstanding anything in the Indenture to the contrary, no notice of redemption shall be required for any redemption of Bonds pursuant to the provisions described in clauses (i) or (iii) under the subcaption "Mandatory Redemption from Principal Payments or Prepayments" above. Notices of redemption pursuant to the provisions described under the caption "Mandatory Redemption in Lieu of Exchange" above shall be governed by the provisions described under the caption "Optional Exchange of Bonds for Pass-Through Certificate" above.

The Trustee shall give the Bondholders not less than five (5) Business Days' notice of the redemption of the Bonds pursuant to the provisions described under the subcaption "Mandatory Redemption upon Failure to Purchase the Pass-Through Certificate" above, which notice shall specify the following: (i) the maturity dates and principal amounts of the Bonds to be redeemed; (ii) the CUSIP number, if any, of the Bonds to be redeemed; (iii) the date of such notice; (iv) the issuance date for such Bonds; (v) the interest rate on the Bonds to be redeemed; (vi) the redemption date; (vii) any conditions to the occurrence of the redemption (which may include a condition to the effect that if a Purchase Date occurs not later than the close of business on the second (2nd) Business Day preceding the Initial Mandatory Redemption Date as such date may be extended under the Indenture, the redemption will not occur); (viii) the place or places where amounts due upon such redemption will be payable; (ix) the Redemption Price; (x) the Trustee's name and address with a phone number; and (xi) that on the redemption date, the Redemption Price shall be paid. For Bonds other than Book-Entry Bonds such notice shall be sent to the holders of the Bonds by first class mail, postage prepaid, at their respective addresses appearing on the Bond Register. Neither the giving of such notice by the Trustee nor the receipt of such notice by the Bondholders shall be a condition precedent to the effectiveness of any such redemption.

Except as otherwise provided under the caption "Optional Exchange of Bonds for Pass-Through Certificate" above, the Bonds to be redeemed pursuant to the provisions described under the caption "Redemption of Bonds; Prepayment" above will be selected in accordance with the operational arrangements of DTC or any successor Substitute Depository, and any partial prepayments pursuant thereto shall be made in accordance with the "Pro Rata Pass-Through Distributions of Principal" procedures of DTC or comparable procedures of any successor Substitute Depository. Notice of redemption given pursuant to the provisions described under this caption will be given in accordance with the operational arrangements of DTC or any successor Substitute Depository.

Payment of Redemption Price

With respect to any redemption pursuant to the provisions described under the caption "Redemption of Bonds; Prepayment" above, notice having been given in the manner as provided for under the caption "Notice of Redemption" above (or not required to be given as a result of a redemption pursuant to clause (i) or (iii) under the subcaption "Mandatory Redemption from Principal Payments or Prepayments" above), and all conditions to the redemption contained in such notice, if applicable, having been met, the Bonds so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, and upon presentation and surrender thereof (except in connection with a redemption of Bonds pursuant to the provisions described under clauses (i) and (iii) under the caption "Redemption of Bonds; Prepayment – Mandatory Redemption from Principal Payments or Prepayments" and under the caption "Redemption of Bonds; Prepayment – Mandatory Redemption Upon Failure to Purchase the Pass-Through Certificate" above), at the offices specified in such notice, together with, in the case of Bonds presented by other than the registered owner, a written instrument of transfer duly executed by the registered owner or its duly authorized attorney; provided, however, that so long as the Bonds are registered in

the name of the Depository, payment for such redeemed Bonds shall be made in accordance with the Representation Letter, as more fully described under the captions “Book-Entry System; Limited Obligation” and “Representation Letter” above, and for Bonds redeemed pursuant to the provisions described under the caption “Optional Exchange of Bonds for Pass-Through Certificate” above, such redemption shall be made in accordance with the procedures described under such caption. If, on the redemption date, moneys for the redemption of all the Bonds or the Bonds to be redeemed, together with all interest and premium, if any, received pursuant to the Pass-Through Certificate comprising the Redemption Price, shall be held by the Trustee so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid (if required), then, from and after the redemption date, interest on the Bonds so called for redemption shall cease to accrue.

A portion of the prepayment premium, if collected, may be shared with certificateholders, and thereby passed through to bondholders, under the circumstances described in “**YIELD, MATURITY AND PREPAYMENT CONSIDERATIONS—Maturity and Prepayment Considerations—Prepayment of a Mortgage Loan—Prepayment Premiums**” in the Fannie Mae MBS Prospectus. Any prepayment premium that is allocable to certificateholders is not guaranteed by Fannie Mae. Additionally, any prepayment premium paid after the yield maintenance end date will not be passed through to certificateholders. See APPENDIX G hereto.

BOOK-ENTRY ONLY SYSTEM

The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that the Issuer, the Underwriter, and the Borrower believe to be reliable, but the Issuer, the Underwriter, and the Borrower take no responsibility for the accuracy thereof.

The Depository Trust Company, New York, New York (“DTC”), will act as securities depository for the Bonds. The Bonds will be initially issued and issuable only as one fully-registered Bond certificate for each maturity, registered in the name of Cede & Co. as partnership nominee of DTC. Those fully-registered Bonds will be deposited with and retained in the custody of DTC.

For ease of reference in this and other discussions, reference to “DTC” includes when applicable any successor securities depository and the nominee of the depository.

For all purposes under the Bond proceedings, DTC will be and will be considered by the Issuer and the Trustee to be the owner or Holder of the Bonds.

Owners of book entry interests in the Bonds (book entry interest owners) will not receive or have the right to receive physical delivery of Bonds, and will not be or be considered by the Issuer and the Trustee to be, and will not have any rights as, owners or holders of Bonds under the Bond proceedings.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has an S&P rating of AA+. The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (the book entry interest owner) is in turn to be recorded on the Direct and Indirect Participant's records. Book entry interest owners will not receive written confirmation from DTC of their purchase, but are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the book entry interest owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of book entry interest owners. Book entry interest owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book entry system for the Bonds is discontinued (see "DESCRIPTION OF THE BONDS – Transfers Outside Book Entry System" above).

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in actual ownership. DTC has no knowledge of the book entry interest owners (or beneficial owners) of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the book entry interest owners. Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to book entry interest owners, will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and debt service payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to book entry interest owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and debt service payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the book entry interest owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or the Trustee. The Issuer may decide to discontinue use of the book entry system if DTC (or a successor securities depository) determines not to continue to act as securities depository for the Bonds. See "DESCRIPTION OF THE BONDS – Transfers Outside Book Entry System" above.

With respect to Bonds registered in the Bond Register in the name of the Nominee, the Issuer and the Trustee shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds a beneficial interest in the Bonds. Without limiting the immediately preceding sentence, the Issuer and the Trustee shall have no responsibility or obligation with respect to (a) the accuracy of the records of the

Depository, the Nominee or any Participant with respect to any beneficial ownership interest in the Bonds, (b) the delivery to any Participant, Beneficial Owner or any other person, other than the Depository, of any notice with respect to the Bonds, including any redemption notice with respect to the Bonds, including any redemption notice following a failure to purchase the Pass-Through Certificate, (c) the selection by the Depository and the Participants of the beneficial interests in the Bonds to be redeemed in part, or (d) the payment to any Participant, Beneficial Owner or any other person, other than the Depository, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The Issuer and the Trustee may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute owner of such Bond for the purpose of payment of the principal of, premium, if any, and interest on such Bond, for the purpose of giving redemption notices pursuant to the provisions described under the caption "Notice of Redemption" above and other notices with respect to such Bond, and for all other purposes whatsoever, including, without limitation, registering transfers or exchanges with respect to the Bonds.

ANTICIPATED APPLICATION OF FUNDS

The proceeds of the Bonds will be used, pursuant to the Financing Agreement, to finance a portion of the cost of the acquisition, rehabilitation and equipping of the Project and to pay certain additional costs related thereto. The Bonds will be secured initially by the proceeds received from the assignment by the Issuer to the Lender of the Mortgage Loan (from funds other than the proceeds of the Bonds, but in an amount equal to the original principal amount of the Bonds) on deposit in the Collateral Security Fund as described herein (see "SUMMARY OF THE BONDS – The Bonds, the Mortgage Loan and the Pass-Through Certificate"). Such proceeds received from the assignment by the Issuer to the Lender held by the Trustee are anticipated, together with Bond proceeds deposited in the Collateral Security Interest Account of the Collateral Security Fund, to be applied by the Trustee to purchase the Pass-Through Certificate, if the conditions to issuance of the Pass-Through Certificate by Fannie Mae and the acquisition of the Pass-Through Certificate by the Trustee described herein are satisfied.

SECURITY FOR THE BONDS

General

All right, title and interest of the Issuer in and to amounts on deposit in the Collateral Security Fund to be funded at closing in an amount equal to the principal amount of the Bonds; the Pass-Through Certificate, if issued by Fannie Mae and acquired by the Trustee in exchange for amounts on deposit in the Collateral Security Fund; all right, title and interest of the Issuer now owned or acquired after the date of the Indenture in, to and under the Financing Agreement (except Reserved Rights, as defined in the Indenture, and Unassigned Rights, as defined in the Financing Agreement) and the Regulatory Agreement; all Revenues; and all other property which by the express provisions of the Indenture is required to be subject to the lien of the Indenture, and any additional property that, from time to time, by delivery or by writing of any kind, may be subjected to the lien of the Indenture, by the Issuer or by anyone on its behalf, and the Trustee is authorized by the Indenture to receive the same at any time as additional security under the Indenture.

The Pass-Through Certificate

The Bonds are being issued by the Issuer to finance a portion of the cost of the acquisition, rehabilitation, and equipping of the Project, and pay certain additional costs related thereto. The Bonds will initially be secured by the deposit of the proceeds received from the assignment by the Issuer to the Lender of the Mortgage Loan, including interest, in an amount sufficient to pay the principal of the Bonds plus interest thereon to but not including the Initial Mandatory Redemption Date into certain funds and accounts under the Indenture, as further described herein. Upon the satisfaction of certain conditions set forth in the Indenture, the Trustee will transfer the proceeds of the assignment of the Mortgage Loan plus Bond proceeds on deposit in the Collateral Security Interest Account to acquire the Pass-Through Certificate, backed by the Mortgage Loan on the Project, and to be issued, upon satisfaction of the conditions set forth in the Indenture, by Fannie Mae.

It is expected that the Pass-Through Certificate will be acquired by the Trustee prior to the First Payment Date, and in any event prior to the Initial Mandatory Redemption Date, unless such Initial Mandatory Redemption Date is extended as provided in the Indenture. Principal and interest will initially be paid from funds (including

accrued interest, if any) on deposit in the Collateral Security Fund until the month following the Purchase Date, at which time payments in an amount equal to the principal and interest paid on the Pass-Through Certificate will be passed through to Bondholders on each Payment Date.

If the Pass-Through Certificate is not acquired by the Trustee prior to the Initial Mandatory Redemption Date (as such date may be extended pursuant to the Indenture), the Bonds will be redeemed at a Redemption Price of par plus accrued interest on the Bonds to but not including the Initial Mandatory Redemption Date (as such redemption date may be extended) from proceeds of the Bonds and other Preference Proof Moneys on deposit in the Collateral Security Fund under the Indenture. See “SUMMARY OF THE BONDS” above.

See “APPENDIX H – TERM SHEET” below for a description of the terms expected to be borne by the Pass-Through Certificate if issued by Fannie Mae and acquired by the Trustee. This description does not purport to be complete. Reference is made to the Fannie Mae MBS Prospectus summarized at APPENDIX G – “FANNIE MAE MORTGAGE-BACKED SECURITIES PROGRAM” and to the form of proposed Additional Disclosure Addendum attached hereto as APPENDIX I for the complete terms of the Pass-Through Certificate and the rights, duties and obligations of Fannie Mae thereunder.

IF THE PASS-THROUGH CERTIFICATE IS ISSUED BY FANNIE MAE AND ACQUIRED BY THE TRUSTEE AS COLLATERAL FOR THE BONDS, FANNIE MAE’S OBLIGATIONS WILL BE SOLELY AS PROVIDED IN THE PASS-THROUGH CERTIFICATE AND IN THE FANNIE MAE MBS PROSPECTUS SUMMARIZED AT APPENDIX G – “FANNIE MAE MORTGAGE-BACKED SECURITIES PROGRAM” AND IN THE FORM OF PROPOSED ADDITIONAL DISCLOSURE ADDENDUM ATTACHED HERETO AS APPENDIX I. THE OBLIGATIONS OF FANNIE MAE UNDER THE PASS-THROUGH CERTIFICATE WILL BE OBLIGATIONS SOLELY OF FANNIE MAE, A FEDERALLY CHARTERED CORPORATION, AND WILL NOT BE BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA. THE BONDS ARE NOT AND WILL NOT BE A DEBT OF THE UNITED STATES OF AMERICA NOR ANY OTHER AGENCY OR INSTRUMENTALITY OF THE UNITED STATES OF AMERICA NOR OF FANNIE MAE. THE BONDS ARE NOT AND WILL NOT BE GUARANTEED BY THE FULL FAITH AND CREDIT OF FANNIE MAE NOR THE UNITED STATES OF AMERICA.

Bonds Not a Debt of the State

The principal installments of, premium, if any, and interest on the Bonds are not general obligations of the Issuer, but are special, limited obligations of the Issuer secured by the Trust Estate, are and will always be payable solely from the revenues and income derived from the Trust Estate (except to the extent paid out of moneys attributable to proceeds of the Bonds or the income from the temporary investment thereof), and are and will always be a valid claim of the owner thereof only against the revenues and income derived from the Trust Estate, which revenues and income may be used for no other purpose than to pay the principal installments of, premium, if any, and interest on the Bonds, except as may be expressly authorized otherwise in the Indenture and in the Financing Agreement. The obligation to pay the principal installments of, premium, if any, and interest on the Bonds do not now and will never constitute a debt or an obligation of the State or any political subdivision thereof and neither the State nor any political subdivision thereof will be liable therefor, within the purview of any constitutional limitation or provision, or a charge against the general credit or taxing powers, if any, of any of them, but will be secured as aforesaid, and will be payable solely from the revenues and income derived from the Trust Estate (except as stated aforesaid). No owner of the Bonds will have the right to compel the exercise of the taxing power, if any, of the State or any political subdivision thereof to pay any principal installment of, premium, if any, or interest on the Bonds. The Issuer has no taxing power. The Bonds are not a debt of the United States of America, the United States Department of Housing and Urban Development or any other federal governmental agency and are not guaranteed by the full faith and credit of the United States.

CERTAIN BONDHOLDERS' RISKS

The purchase of the Bonds will involve a number of risks. In addition to factors set forth elsewhere in this Official Statement, purchasers of Bonds should carefully consider the following risk factors in connection with investment in the Bonds. The following summary does not purport to be comprehensive or definitive, but rather is intended as a brief summary of some of such risk factors.

Bonds are Pass-Through Bonds; Interest Payment Lag

As described elsewhere herein, except under certain circumstances described under the caption “DESCRIPTION OF THE BONDS – Redemption of Bonds; Prepayment – Mandatory Redemption upon Failure to Purchase the Pass-Through Certificate,” and except as otherwise described herein with respect to certain payments prior to the First Payment Date (see subparagraph (e) of “APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Collateral Security Fund”), the Bonds are pass-through securities designed to pass through to registered owners of the Bonds principal and interest payments on the Pass-Through Certificate one Business Day after their receipt by the Trustee. Interest payments on the Bonds will equal either accrued interest on the Bonds, or interest payments received by the Trustee on each Distribution Date for the Pass-Through Certificate, which will be the 25th day of each month or the next Business Day if the 25th is not a Business Day. The first Distribution Date is expected to be April 27, 2020*. Although interest accrues on the Pass-Through Certificate during a calendar month, Fannie Mae will not distribute interest to the Trustee as certificateholder until the Distribution Date in the following calendar month. The Bonds mature on March 1, 2037*; however, the final principal payment on the Pass-Through Certificate will occur on March 25, 2037*, and such payment will be passed through to Bondholders on March 26, 2037*. Because of these delays, the effective yield on the Bonds will be lower than the Pass-Through Rate on the Pass-Through Certificate and the stated interest rate on the Bonds.

Pass-Through Certificate

If the Pass-Through Certificate is issued by Fannie Mae and acquired by the Trustee as collateral for the Bonds, Fannie Mae’s obligations will be solely as provided in the Pass-Through Certificate and in the Fannie Mae MBS Prospectus summarized at APPENDIX G – “FANNIE MAE MORTGAGE-BACKED SECURITIES PROGRAM” and in the form of proposed Additional Disclosure Addendum attached hereto as APPENDIX I. The obligations of Fannie Mae under the Pass-Through Certificate will be obligations solely of Fannie Mae, a federally chartered corporation, and will not be backed by the full faith and credit of the United States of America. The Bonds are not and will not be a debt of the United States of America nor any other agency or instrumentality of the United States of America nor of Fannie Mae. The Bonds are not and will not be guaranteed by the full faith and credit of Fannie Mae nor the United States of America.

It is possible, in the event of the insolvency of Fannie Mae, or the occurrence of some other event precluding Fannie Mae from honoring its obligations to make payments as stated in the Pass-Through Certificate, if issued, that the financial resources of the Borrower will be the only source of payment on the Bonds. There can be no assurance that the financial resources of the Borrower will be sufficient to pay the principal of, premium if any, and interest on the Bonds in the event the Trustee is forced to seek recourse against the Borrower. See “SECURITY FOR THE BONDS” herein.

No Acceleration or Early Redemption Upon Loss of Tax Exemption on the Bonds

The Borrower has covenanted and agreed, pursuant to, among other documents, the Regulatory Agreement, to comply with the provisions of the Code relating to the exclusion from gross income for federal income tax purposes of the interest payable on the Bonds. The financing documents contain provisions and procedures designed to assure compliance with such covenant. See “TAX MATTERS” herein. However, the Borrower’s covenant to comply with the requirements of the Code is nonrecourse to the Borrower, and the Borrower’s liability is limited to the revenues and assets comprising the Project. Furthermore, the Borrower’s failure to comply with such provisions will not constitute an automatic default under the Mortgage Loan. Furthermore, in the event that Fannie Mae calls a default under the Mortgage Loan because of the Borrower’s failure to comply with such provisions, it may not give

* Preliminary; subject to change.

rise to a redemption or acceleration of the Bonds (see “Default May Result in Redemption of the Bonds”) and is not the basis for an increase in the rate of interest payable on the Bonds, nor will the Borrower’s failure to comply with the Regulatory Agreement give rise to a prepayment or acceleration of amounts due under the Pass-Through Certificate, unless directed by Fannie Mae in its sole discretion. Consequently, interest on the Bonds may become includable in gross income for purposes of federal income taxation retroactive to the date of issuance of the Bonds by reason of the Borrower’s failure to comply with the requirements of federal tax law, and there is no assurance that either the Issuer, the Trustee or the Bondholders will have remedies available to them to mitigate the adverse economic effects to the Bondholders of such inclusion by reason of the Borrower’s noncompliance.

Performance of the Project

No assurance can be given as to the future performance of the Project. See “Estimated Rental Revenues/Vacancies” below. The economic feasibility of the Project depends in large part upon the ability of the Borrower to maintain substantial occupancy throughout the term of the Bonds at sufficient rents. Occupancy of the Project may be affected by competition from existing housing facilities or from housing facilities which may be constructed in the areas served by the Project. Restrictions imposed under the Code on tenant income and the rent that can be charged could have an adverse effect on the Borrower’s ability to satisfy its obligations under the Financing Agreement, especially if operating expenses should increase beyond what was anticipated.

Default May Result in Redemption of the Bonds

A default by the Borrower under the Mortgage Loan may – upon compliance with the terms of the Pass-Through Certificate and the Indenture – result in a mandatory redemption of the Bonds. If Fannie Mae accelerates the Mortgage Loan as a result of any event of default under the Mortgage Loan, the Mortgage Loan will be paid in full, and the stated principal balance of the Pass-Through Certificate will be passed through to the holder of the Pass-Through Certificate. In this case, no yield maintenance or other prepayment premiums will be payable to the Trustee as holder of the Pass-Through Certificate. See “DESCRIPTION OF THE BONDS— Redemption of Bonds; Prepayment — Mandatory Redemption from Principal Payments or Prepayments” herein.

Estimated Rental Revenue/Vacancies

Due to the inherent uncertainty of future events and conditions, no assurance can be given that revenues generated by the Project will be sufficient to pay expenses of the Project, including without limitation, debt service on the Mortgage Loan, operating expenses, servicing fees, fees due to Fannie Mae, Trustee fees, and fees owed to the Issuer. The ability of the Project to generate sufficient revenues may be affected by a variety of factors including, but not limited to, completion of repairs to the Project, the maintenance of a sufficient level of occupancy, the ability to achieve increases in rents and/or increases under the HAP Contract as necessary to cover debt service and operating expenses, the funding of the HAP Contract, the level of operating expenses, project management, adverse changes in applicable laws and regulations, demand for affordable housing, general economic conditions and other factors in the surrounding market area for the Project. Adverse changes may occur from time to time with respect to any of the preceding factors or other factors or events which may have a negative impact on the occupancy level and rental income of the Project. The Borrower intends to rent 108 of the units in the Project to persons or families of low income and the amount of rent that may be charged for such units may be materially less than market rates. No assurance can be given that the low-income tenants are able to afford the rental rates of the Project, notwithstanding the HAP Contract and albeit at below market rental rates. The rent and affordability restrictions may adversely affect the revenues of the Project.

Estimated Project Expenses; Management

The success of the Project depends upon economic conditions, successful management of the Project and other factors. Furthermore, should management of the Project prove to be inefficient, increases in operating expenses might exceed increases in rents which are permitted under the financing and regulatory programs, including the HAP Contract, or can be supported by market conditions. The economic feasibility of the Project also depends to a large extent on operating expenses. No assurances can be given that moneys available to the Borrower from operation of the Project will be sufficient to make the required payments on the Financing Agreement and the Mortgage Note.

Rating

After the Purchase Date, the rating on the Bonds is based on the credit rating of Fannie Mae. If any event occurs that causes an adverse change to the credit rating of Fannie Mae, such a change may result in a downgrade or withdrawal of the rating on the Bonds.

CONTINUING DISCLOSURE

The Borrower has undertaken all responsibilities for any continuing disclosure to owners of the Bonds as described below, and the Issuer shall have no liability to the owners or any other person with respect to such disclosures. The Borrower has covenanted for the benefit of owners and Beneficial Owners of the Bonds to provide its audited financial statements and certain financial information and operating data relating to the Borrower by not later than one hundred eighty (180) days after the end of each fiscal year (which fiscal year currently ends on December 31), commencing with the report for the fiscal year ending December 31, 2020 (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events, if material. The Annual Report is required to be filed by the Borrower with the Municipal Securities Rulemaking Board (the "MSRB"). All notices of material events are required to be filed by the Borrower with the MSRB. The specific nature of the information to be contained in the Annual Report and the notices of material events is described in APPENDIX F – "FORM OF CONTINUING DISCLOSURE AGREEMENT." These covenants have been made in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5).

The Borrower has not previously been subject to the continuing disclosure requirements of Rule 15c2-12.

TAX MATTERS

Legal matters incident to the authorization, validity and issuance of the Bonds are subject to the unqualified approving opinion of Bryant Miller Olive P.A., Tallahassee, Florida, whose opinion will be available at the time of delivery of the Bonds. It is anticipated that the approving opinion will be in substantially the form attached to this Official Statement as APPENDIX E.

Section 142(d) of the Code provides an exclusion from federal income tax for interest on certain governmental obligations, such as the Bonds, the proceeds of which are used to provide financing for a "qualified residential rental project". The Bonds shall be exempt from federal income tax if at all times during the Qualified Project Period either 20% or more of the units are set aside for tenants having incomes of 50% or less of area median gross income or 40% or more of the units are set aside for tenants having incomes of 60% or less of area median gross income.

Under the Treasury Regulations, the failure to satisfy the foregoing requirements on a continuous basis or the failure to satisfy any of the other requirements of the Treasury Regulations will, unless corrected within a reasonable period of time of not less than sixty (60) days after such noncompliance is first discovered or should have been discovered, cause loss of the tax exempt status of the Bonds as of the date of issuance of the Bonds, irrespective of the date such noncompliance actually occurred.

The Issuer has established requirements, procedures and safeguards which it believes to be sufficient to ensure the Project's compliance with the requirements of Section 142(d) of the Code and the Treasury Regulations. Such requirements, procedures, and safeguards are incorporated into the Financing Agreement and the Regulatory Agreement. Additionally, no assurance can be given that in the event of a breach of any of the provisions or covenants described above, the remedies available to the Issuer or the Trustee can be judicially enforced in such manner as to assure compliance with Section 142(d) of the Code and therefore to prevent the loss of tax exemption of interest on the Bonds. The opinion of Bond Counsel described below relies, in part, upon certifications by the Borrower as to compliance with Section 142(d) of the Code.

Section 148 of the Code provides that interest on the Bonds will not be excludable from gross income for federal income tax purposes unless (a) the investment of the proceeds of the Bonds meets certain arbitrage requirements and (b) certain "excess" earnings on such investments are rebated to the United States of America

(collectively, the "Arbitrage Restrictions"). To the extent that the Arbitrage Restrictions are applicable to the Borrower, the Borrower has covenanted in the Financing Agreement and the Issuer has covenanted in the Indenture, that each will comply with such restrictions. In the event of non-compliance by the Issuer, the Trustee or the Borrower with the Arbitrage Restrictions, interest on the Bonds may be taxable for federal income tax purposes from the date of issuance of the Bonds.

The Issuer and the Borrower have each covenanted to comply with certain other applicable provisions of the Code which are required as a condition to the exclusion from gross income of interest on the Bonds for federal income tax purposes. The Code includes requirements which the Issuer and the Borrower must continue to meet after the issuance of the Bonds in order that interest on the Bonds not be included in gross income for federal income tax purposes. The Issuer's or the Borrower's failure to meet these requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. The Issuer and the Borrower have covenanted in the Indenture, the Financing Agreement and the Regulatory Agreement to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds.

In the opinion of Bond Counsel, assuming continuing compliance by the Issuer and the Borrower (and, except as permitted by Treasury Regulation Section 1.103-8(b)(6)(iii), any successor owner of the Project) with the above referenced requirements of the Code, interest on the Bonds is excluded from gross income for federal income tax purposes under existing statutes, regulations, rulings and court decisions, except for interest on any Bond for any period during which the Bond is held by a person who is a "substantial user" of the facilities financed by the Bonds or a "related person" within the meaning of Section 147(a) of the Code. Additionally, interest on the Bonds is not an item of tax preference for purposes of the alternative minimum tax.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of Bonds may result in other collateral federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry Bonds or, in the case of a financial institution, that portion of the Bondholder's interest expense allocable to interest on the Bonds, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies, (iii) the inclusion of interest on Bonds in the earnings of certain foreign corporations doing business in the United States of America for purposes of a branch profits tax, (iv) the inclusion of interest on Bonds in the passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year and (v) the inclusion of interest on Bonds by recipients of certain Social Security and Railroad Retirement benefits for purposes of determining the taxability of such benefits.

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Bonds and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the Bonds.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUALS AND CORPORATE BONDHOLDERS. PROSPECTIVE BONDOWNERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Information Reporting and Backup Withholding. Interest paid on tax-exempt bonds such as the Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Bonds, under certain circumstances, to "backup withholding" at the rate specified in the Code with respect to payments on the Bonds and proceeds from the sale of Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Bonds. This

withholding generally applies if the owner of Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

NO LITIGATION

The Issuer

At the time of delivery and payment for the Bonds, the Issuer will deliver, or cause to be delivered, a certificate of the Issuer substantially to the effect that there is no litigation pending or, to the best knowledge of the Issuer, threatened in any court in any way affecting the existence of the Issuer or the title of any member of the Issuer to the office held by such member or employee, or seeking to restrain or enjoin the issuance, sale or delivery of the Bonds or the collection of revenues or assets of the Issuer pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Bonds, the Bond Resolution or documents to which the Issuer is a party or contesting the completeness or accuracy of the Official Statement, or contesting the powers of the Issuer, or its authority with respect to the Bonds, the Bond Resolution and the documents to which the Issuer is a party.

The Borrower

At the time of delivery and payment for the Bonds, the Borrower will deliver, or cause to be delivered, a certificate of the Borrower substantially to the effect that there is no litigation of any nature now pending or, to the knowledge of the Borrower or its General Partner, threatened in writing against or adversely affecting the existence of the Borrower or its General Partner, involving the Project in any material respect or seeking to restrain or enjoin the issuance, sale, execution or delivery of the Bonds or the financing of the Mortgage Loan or the financing of the Project, or in any way contesting or affecting the validity or enforceability of the Bonds or the Bond documents to which the Borrower is a party, or any proceedings of the Borrower taken with respect to the sale, execution or delivery thereof, or the application of any moneys or security provided for the payment of the Bonds, or contesting in any way the completeness or accuracy of the Official Statement or any supplement or amendment thereto, or contesting the powers or authority of the Borrower with respect to the Bond documents to which it is a party or challenging the exclusion of interest on the Bonds from gross income for Federal income tax purposes.

CERTAIN LEGAL MATTERS

Certain legal matters relating to the authorization and validity of the Bonds will be subject to the approving opinion of Bryant Miller Olive P.A., Tallahassee, Florida, Bond Counsel, which will be furnished at the expense of the Borrower (the "Bond Counsel Opinion"). See "APPENDIX E – FORM OF BOND COUNSEL OPINION" hereto. The actual Bond Counsel Opinion to be delivered by Bond Counsel may vary from that text if necessary to reflect facts and law on the date of delivery. Such opinion will speak only as of its date, and subsequent distribution of it by recirculation of this Official Statement or otherwise shall create no implication that Bond counsel has reviewed or expresses any opinion concerning any of the matters referenced in the Bond Counsel Opinion subsequent to its date. Certain legal matters will be passed upon for the Issuer its Counsel, Nabors, Giblin & Nickerson, P.A., Tampa, Florida. Certain legal matters will be passed upon for Fannie Mae by its Office of General Counsel and by its Special Counsel, DLA Piper LLP (US). Certain legal matters will be passed upon for the Borrower by its Counsel, Nelson Mullins Broad and Cassel, Orlando, Florida. Certain legal matters will be passed upon for the Underwriter by its Counsel, Norris George & Ostrow PLLC, Washington, D.C. The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions on the legal issues explicitly addressed therein. By rendering the legal opinion, the opinion giver does not become an insurer or guarantor of an expression of professional judgment of the transaction

opined upon, or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

LEGALITY OF BONDS FOR INVESTMENT AND DEPOSIT

The Act provides that bonds issued thereunder are legal and authorized investments for banks, savings banks, trust companies, building and loan associations, insurance companies, fiduciaries, trustees, guardians and for all public funds of the State or other political corporations or subdivisions of the State. Such bonds are eligible to secure the deposit of public funds of the State, localities, school districts or other political corporations or subdivisions of the State, and shall be security for such deposits to the extent of their value.

UNDERWRITING

RBC Capital Markets, LLC (the “Underwriter”) has agreed, subject to certain conditions, to purchase the Bonds from the Issuer at an aggregate purchase price of \$_____ and to make a public offering of the Bonds at prices that are not in excess of the public offering prices stated on the cover page of this Official Statement. The Underwriter will be obligated to purchase all such Bonds if any are purchased. The Bonds may be offered and sold to certain dealers (including the Underwriter) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriter. The Underwriter will receive an underwriting fee for its services in the amount of \$_____ (which amount does not include the fees and expenses of its counsel).

The Underwriter and its affiliates are full service financial institutions engaged in various activities, that may include securities trading, commercial and investment banking, municipal advisory, brokerage and asset management. In the ordinary course of business, the Underwriter and its affiliates may actively trade debt and if applicable equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps) and the Underwriter and its affiliates may engage in transactions for its own accounts involving the securities and instruments made the subject of this securities offering or other offering of the Issuer and/or Borrower. The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the Issuer and/or Borrower. The Underwriter does not make a market in credit default swaps with respect to municipal securities at this time but may do so in the future.

The Underwriter does not guarantee a secondary market for the Bonds and is not obligated to make any such market in the Bonds. No assurance can be made that such a market will develop or continue. Consequently, investors may not be able to resell Bonds should they need or wish to do so for emergency or other purposes.

RELATIONSHIPS AMONG THE PARTIES

In connection with the issuance of the Bonds, the Issuer, the Borrower and the Underwriter are being represented by the attorneys or law firms identified above under the heading “CERTAIN LEGAL MATTERS.” In other transactions not related to the Bonds, each of these attorneys or law firms may have acted as bond counsel or represented the Issuer, the Borrower or the Underwriter or their affiliates, in capacities different from those described in this Official Statement, and there will be no limitations imposed as a result of the issuance of the Bonds on the ability of any of these firms or attorneys to act as bond counsel or represent any of these parties in any future transactions. Potential purchasers of the Bonds should not assume that the Issuer, the Borrower and the Underwriter or their respective counsel or Bond Counsel have not previously engaged in, or will not after the issuance of the Bonds engage in, other transactions with each other or with any affiliates of any of them, and no assurance can be given that there are or will be no past or future relationships or transactions between or among any of these parties or these attorneys or law firms.

THE TRUSTEE

The Issuer has appointed The Bank of New York Mellon Trust Company, N.A., to serve as Trustee. The Trustee is a national banking association organized and existing under the laws of the United States of America,

having all of the powers of a bank, including fiduciary powers, and is a member of the Federal Deposit Insurance Corporation and the Federal Reserve System. The Trustee is to carry out those duties assignable to it under the Indenture. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Official Statement and assumes no responsibility for the nature, contents, accuracy, fairness or completeness of the information set forth in this Official Statement or for the recitals contained in the Indenture or the Bonds, or for the validity, sufficiency, or legal effect of any of such documents.

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application by the Issuer of any of the Bonds authenticated or delivered pursuant to the Indenture or for the use or application of the proceeds of such Bonds by the Issuer. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any assets or revenues pledged or assigned as security for the Bonds, or the investment quality of the Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

RATING

Moody's Investors Service, Inc. (the "Rating Agency") has assigned to the Bonds a rating of "Aaa." Such rating reflects only the view of the Rating Agency and an explanation of the significance of the rating may be obtained from the Rating Agency. There is no assurance that the rating will continue for any given period of time or that it will not be revised or withdrawn entirely by the Rating Agency, if in its judgment, circumstances so warrant. A revision or withdrawal of the rating may have an effect on the market price of the Bonds.

A rating is not a recommendation to buy, sell, or hold the Bonds. There is no assurance that a particular rating will be maintained for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the rating agency originally establishing the rating, circumstances so warrant. The Rating Agency will not undertake responsibility either to bring to the attention of the registered owners of the Bonds any proposed revision or withdrawal of the rating of the Bonds, if issued, or to oppose any such proposed revision or withdrawal. Any such change in or withdrawal of such a rating could have an adverse effect on the market price of the Bonds if a registered owner attempts to sell the same.

The Rating Agency has not assumed any responsibility either to notify the owners of any proposed change in or withdrawal of such rating subsequent to the date of the Official Statement, and the Borrower has such responsibility only in connection with the reporting of events as provided in the Continuing Disclosure Agreement. Neither of them has any responsibility to contest any such revision or withdrawal.

FURTHER INFORMATION

The information contained in this Official Statement is subject to change without notice and no implication should be derived therefrom or from the sale of the Bonds that there has been no change in the affairs of the Issuer from the date hereof. The foregoing references to and summaries or descriptions of provisions of the Bonds, the Indenture, the Financing Agreement, and the Regulatory Agreement, and all references to other materials not stated to be quoted in full are only brief outlines of some of the provisions thereof and do not purport to summarize or describe all of the provisions thereof. After the Closing Date, copies of the Indenture, the Financing Agreement, and the Regulatory Agreement may be obtained from the Trustee at its designated corporate trust office.

Additional information may be obtained from the undersigned at LIH Magnolia Terrace, LP, 201 Wilshire Avenue, 2nd Floor, Santa Monica, California. Attention: Jacob Levy.

DISCLOSURE REQUIRED BY SECTION 517.051(1), FLORIDA STATUTES

Rule 69W-400.003, Rules of Government Securities, promulgated by the Florida Department of Banking and Finance, Division of Securities, under Section 517.051(1), Florida Statutes ("Rule 69W-400.003"), requires the Issuer to disclose each and every default as to the payment of principal and interest with respect to obligations issued or guaranteed by the Issuer after December 31, 1975. Rule 69W-400.003 further provides, however, that if the Issuer

in good faith believes that such disclosures would not be considered material by a reasonable investor, such disclosures may be omitted.

The Bonds do not constitute a general debt, liability or obligation of the Issuer, but are instead secured by amounts on deposit under the Indenture and by other security discussed herein. The Bonds are not being offered on the basis of the financial strength of the Issuer. Accordingly, the Issuer, in good faith, believes that disclosure of any such default on bonds with respect to which the Issuer was merely a conduit issuer and which are secured solely by payments of the borrower under a loan agreement, lease agreement or installment sale agreement, would not be considered material by a reasonable investor in the Bonds.

CO-FINANCIAL ADVISORS

The Hendrickson Company and The Community Concepts Group, Inc. (together, the “Co-Financial Advisors”) are serving as Co-Financial Advisors to the Issuer with respect to the planning, structuring and sale of the Bonds. The Co-Financial Advisors assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring and issuance of the Bonds and provided other advice. The Co-Financial Advisors will not bid on or otherwise engage in any underwriting activities with regard to the issuance and sale of the Bonds. The Co-Financial Advisors are not obligated to undertake and have not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement and is not obligated to review or ensure compliance with continuing disclosure undertakings.

ENFORCEABILITY OF REMEDIES

The remedies available to the Trustee, the Issuer and the Bondholders upon an Event of Default under the Financing Agreement, the Regulatory Agreement or the Indenture are in many respects dependent upon regulatory and judicial actions which are often subject to discretion and delay. Under existing law and judicial decisions, including specifically the Federal Bankruptcy Code, the remedies provided for under the Federal Bankruptcy Code, the Financing Agreement, the Regulatory Agreement or the Indenture may not be readily available or may be limited.

In addition, the Financing Agreement and the Regulatory Agreement both provide that the payment obligations of the Borrower contained in such agreements (other than certain obligations to the Issuer and the Trustee individually and not on behalf of the Bondholders) will be limited obligations payable solely from the income and assets of the Borrower, and that no partner of the Borrower will have any personal liability for the satisfaction of any payment obligation of the Borrower under such agreements or of any claim against the Borrower arising out of such agreements or the Indenture.

The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of various legal instruments by limitations imposed by the valid exercise of the constitutional powers of the State and the United States of America and bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

MISCELLANEOUS

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such, and not as representations of fact. This Official Statement is not to be construed as an agreement or contract between the Issuer and the purchasers or owners of any Bonds.

This Official Statement is submitted in connection with the sale of the Bonds and may not be reproduced or used, as a whole or in part, for any other purpose. This Official Statement and the distribution thereof have been duly authorized and approved by the Issuer and the Official Statement has been duly executed and delivered on behalf of the Borrower.

[BORROWER'S SIGNATURE PAGE TO OFFICIAL STATEMENT]

LIH MAGNOLIA TERRACE, LP,
a Florida limited partnership

By: LIH MAGNOLIA TERRACE GP, LLC,
a Florida limited liability company, its general
partner

By: _____
Name: Jacob Levy
Title: Manager

APPENDIX A

DEFINITIONS OF CERTAIN TERMS

The following are definitions of certain terms, or summaries thereof, used in the Indenture or appearing in this Official Statement.

“Act” has the meaning given to such term in the Indenture.

“Actual/360” means a computation of interest accrual on the basis of a 360 day year and the actual number of calendar days during the applicable month, calculated by multiplying the unpaid principal balance of the Bonds by the Pass-Through Rate, dividing the product by 360, and multiplying the quotient obtained by the actual number of days elapsed in the applicable month.

“Assigned Loan” means the Mortgage Loan assigned to the Lender by the Issuer on the Closing Date.

“Attesting Officer” means such officer or official of the Issuer who in accordance with the Bond Resolution, the laws of the State, the bylaws or other governing documents of the Issuer or practice or custom, regularly certifies official acts and records of the Issuer, and includes any assistant or deputy officer to the principal officer or officers exercising such responsibilities.

“Authorized Borrower Representative” means any officer of the general partner of the Borrower and such additional persons or entities duly designated by the Borrower in writing to act on its behalf.

“Authorized Officer” means the Chair, Vice Chair, or Administrator of the Issuer, or any other person designated to act on behalf of the Issuer by the Bond Resolution.

“Bankruptcy Code” means the Federal Bankruptcy Code, Title 11 of the United States Code.

“Beneficial Owner” means the purchaser of a beneficial interest in the Bonds.

“Bond Counsel” means an attorney at law or a firm of attorneys of recognized expertise in the field of federal income tax matters relating to municipal securities selected by the Issuer.

“Bond Fund” means the Fund created and so designated in the Indenture.

“Bond Register” means the registration books of the Issuer maintained by the Trustee as provided in the Indenture on which registration and transfer of the Bonds is to be recorded.

“Bond Registrar” has the meaning given to such term in the Indenture.

“Bond Resolution” means, collectively, the Resolution of the Issuer adopted on March 15, 2019 and the Resolution of the Issuer adopted by the Issuer on February 13, 2020, authorizing the issuance and sale of the Bonds.

“Bondholder” or “holder” or “owner” of any Bond or any similar term shall mean the person in whose name any Bond is registered.

“Bonds” means the Housing Finance Authority of Leon County, Florida Multifamily Housing Revenue Bonds (Pass-Through – Magnolia Terrace), Series 2020, in the principal amount of \$11,880,000*, including any bond or bonds, as the case may be, authorized under and secured by the Indenture and issued pursuant to the Indenture.

“Book Entry Bonds” means the Bonds for which a Depository or its Nominee is the Bondholder.

* Preliminary; subject to change.

“Borrower” means LIH Magnolia Terrace, LP, a Florida limited partnership.

“Business Day” means any day other than a Saturday or Sunday, a day when the fiscal agent or paying agent for the Pass-Through Certificate is closed, a day when the Federal Reserve Bank of New York is closed, or a day when the Federal Reserve Bank is closed in a district where a certificate account is located if the related withdrawal is being made from that certificate account, and, with respect to the Bonds, any such day that is also a day on which the Trustee is open for business.

“Closing Date” means the date the Bonds are initially issued and delivered to the original purchaser thereof.

“Code” means the United States Internal Revenue Code of 1986, as amended, and the Regulations thereunder, or any successor statute, together with corresponding and applicable final, temporary or proposed regulations and revenue rulings issued or amended with respect thereto by the Treasury Department or Internal Revenue Service of the United States.

“Collateral Security Fund” means the Fund of that name established by the Indenture.

“Collateral Security Interest Account” means the Account of that name established by the Indenture.

“Collateral Security Principal Account” means the Account of that name established by the Indenture.

“Costs of Issuance” means costs to the extent incurred in connection with, and allocable to, the issuance of the Bonds within the meaning of Section 147(g) of the Code. For example, “issuance costs” include the following costs, but only to the extent incurred in connection with, and allocable to, the borrowing: underwriters’ spread; counsel fees; financial advisory fees; fees paid to an organization to evaluate the credit quality of an issue; trustee fees; paying agent fees; bond registrar, certification and authentication fees; accounting fees; printing costs for bonds and offering documents; public approval process costs; engineering and feasibility study costs; guarantee fees, other than qualified guarantees; and similar costs.

“Costs of Issuance Fund” means the Fund created and so designated in the Indenture.

“Counsel’s Opinion” means a written opinion, including opinions supplemental thereto, signed by an attorney or firm of attorneys (who may be counsel for the Issuer, the Borrower or Fannie Mae) acceptable to the Trustee.

“Depository” means, initially, DTC and any replacement securities depository appointed under the Indenture.

“Documents” has the meaning assigned to such term in the Financing Agreement.

“DTC” means The Depository Trust Company, New York, New York.

“Electronic Means” means, (a) with respect to any notice or instruction delivered to the Trustee, “Electronic Means” as defined in the Indenture, or (b), with respect to any other notice or communication delivered under the Indenture, a facsimile transmission or any other electronic means of communication approved in writing by Fannie Mae.

“Event of Default” means any occurrence or event specified as such in the Indenture.

“Exchange Date” has the meaning given to such term in the Indenture.

“Extension Deposit” means the deposit of Preference Proof Moneys described in the Indenture.

“Fannie Mae” means Fannie Mae, a corporation organized and existing under the Federal National Mortgage Association Charter Act, 12 U.S.C., § 1716 et seq., and its successors.

“Fannie Mae Trust Indenture” means that certain Trust Indenture of Fannie Mae in its corporate capacity and Fannie Mae in its trustee capacity, dated as of December 1, 2017, (for fully fixed rate mortgage loans) as amended and supplemented, pursuant to which the Pass-Through Certificate is issued.

“Financing Agreement” has the meaning given to such term in the Indenture.

“First Payment Date” means March 26, 2020*.

“Fund” or “Account” means a fund or account created by or pursuant to the Indenture.

“Government Obligations” means direct obligations of, and obligations on which the full and timely payment of principal and interest is unconditionally guaranteed by, the full faith and credit of the United States of America.

“Highest Rating Category” means, (a) if the Bonds are rated by a Rating Agency, the term “Highest Rating Category” means, with respect to an Investment, that the Investment is rated by each Rating Agency in the highest rating given by that Rating Agency for that general category of security; and (b) if at any time the Bonds are not rated (and, consequently, there is no Rating Agency), then the term “Highest Rating Category” means, with respect to an Investment, that the Investment is rated by S&P or Moody’s in the highest rating given by that rating agency for that general category of security. By way of example, the Highest Rating Category for tax-exempt municipal debt established by S&P is “A-1+” for debt with a term of one year or less and “AAA” for a term greater than one year, with corresponding ratings by Moody’s of “MIG-1” (for fixed rate) or “VMIG-1” (for variable rate) for one year or less and “Aaa” for greater than one year. If at any time (i) the Bonds are not rated, (ii) both S&P and Moody’s rate an Investment and (iii) one of those ratings is below the Highest Rating Category, then such Investment will, nevertheless, be deemed to be rated in the Highest Rating Category if the lower rating is no more than one rating category below the highest rating category of that rating agency. For example, an Investment rated “AAA” by S&P and “Aa3” by Moody’s is rated in the Highest Rating Category. If, however, the lower rating is more than one full rating category below the Highest Rating Category of that rating agency, then the Investment will be deemed to be rated below the Highest Rating Category. For example, an Investment rated “AAA” by S&P and “A1” by Moody’s is not rated in the Highest Rating Category.

“Indenture” means the Indenture of Trust as it may from time to time be amended, modified or supplemented by Supplemental Indentures.

“Initial Mandatory Redemption Date” means April 28, 2020*.

“Investment” means any Permitted Investment and any other investment held under the Indenture that does not constitute a Permitted Investment.

“Investment Partner” means HCP-ILP, LLC, a Nevada limited liability company, and its successors and assigns.

“Issuer” has the meaning given to such term in the Indenture.

“Issuer Fee” means the ongoing fee of the Issuer in the amount of 20 basis points (0.20%) of the Outstanding principal amount of the Bonds payable in semiannual installments in arrears on each July 1 and January 1, commencing July 1, 2020, so long as any portion of the Bonds is outstanding.

“Issuer Servicer” means Seltzer Management Group, Inc., and its successors and assigns.

“Issuer Servicer Documents” has the meaning assigned to such term in the Financing Agreement.

* Preliminary; subject to change.

“Issuer Servicer Fee” means any fees payable to the Issuer Servicer as required by the Issuer Servicer Documents.

“Lender” means CBRE Multifamily Capital, Inc., a Delaware corporation, and its successors and assigns.

“Loan Agreement” has the meaning given to such term in the Indenture.

“Mandatory Redemption Date” means the date on which the Bonds are subject to mandatory redemption pursuant to the Indenture, including the Initial Mandatory Redemption Date, as such date may be extended pursuant to the Indenture.

“Maturity Date” means March 1, 2037*. The final payment of principal with respect to the Pass-Through Certificate will be made on March 25, 2037* (or the next Business Day if such day is not a Business Day) and will be passed through to the Bondholders on the next succeeding Business Day after receipt of the final payment on the Pass-Through Certificate.

“MBS Factor” means the applicable factor posted by Fannie Mae in respect of the Pass-Through Certificate from time to time as the Mortgage Loan amortizes, which represents the percentage of the original balance of the Pass-Through Certificate that is outstanding as of a given date.

“Moody’s” means Moody’s Investors Service, Inc., a Delaware corporation, and its successors and assigns, or if it is dissolved or no longer assigns credit ratings, then any other nationally recognized statistical rating agency, designated by Fannie Mae, that assigns credit ratings.

“Mortgage” means the Multifamily Mortgage, Assignment of Leases, Rents, Security Agreement and Fixture Filing, dated the Closing Date, together with all riders and exhibits, securing the Mortgage Note, executed by the Borrower with respect to the property described in the Mortgage, as it may be amended, supplemented or restated from time to time, or any security instrument executed in substitution therefor, as such substitute security instrument may be amended, supplemented or restated from time to time.

“Mortgage Loan” means the mortgage loan made to the Borrower by the Issuer with respect to the Project on the Closing Date and assigned to the Lender.

“Mortgage Loan Documents” means, collectively, the Mortgage Note, the Mortgage and all other documents, agreements and instruments evidencing, securing or otherwise relating to the Mortgage Loan, as each such document, agreement or instrument may be amended, supplemented or restated from time to time. Neither the Financing Agreement nor the Regulatory Agreement is a Mortgage Loan Document and neither document is secured by the Mortgage.

“Mortgage Note” means that certain note from the Borrower payable to the order of the Issuer and endorsed by the Issuer, without recourse, to the order of the Lender, evidencing the Borrower’s obligation to repay the Mortgage Loan.

“Nominee” means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to the Indenture.

“Officer’s Certificate” means a certificate signed by an Authorized Officer or, if such certificate pertains to official action taken by the Issuer or official records of the Issuer, by an Attesting Officer.

“Operating Fund” means the Fund created and so designated in the Indenture.

“Operating Revenues” means all amounts deposited into the Operating Fund from amounts paid under the Financing Agreement.

* Preliminary; subject to change.

“Outstanding” means, when used with reference to the Bonds and as of any particular date, all Bonds theretofore and thereupon being delivered except (a) any Bond cancelled by the Trustee or delivered to the Trustee for cancellation; (b) any Bond for the payment or redemption of which either (i) moneys equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, or (ii) specified types of Permitted Investments or moneys in the amounts, of the maturities and otherwise as described and required under the provisions of the Indenture, shall have theretofore been deposited with the Trustee in trust (whether upon or prior to maturity or the redemption date of such Bond) and, except in the case of a Bond to be paid at maturity, as to which a redemption notice shall have been given or provided for in accordance with the provisions of the Indenture, and (c) any Bond in lieu of or in substitution for which another Bond shall have been delivered pursuant to the Indenture.

“Participant” means a member of, or a participant in, the Depository.

“Pass-Through Certificate” means the Guaranteed Mortgage Pass-Through Certificate with respect to the Mortgage Loan bearing interest at the Pass-Through Rate, to be issued to and registered in the name of the Trustee by Fannie Mae pursuant to the Indenture, not including any portion thereof transferred or exchanged pursuant to the Indenture.

“Pass-Through Certificate Purchase Price” means the principal amount outstanding on the Mortgage Loan plus accrued interest on the Pass-Through Certificate at the Pass-Through Rate. Such amount shall equal the original principal amount of the Mortgage Loan (\$11,880,000*) less any scheduled principal payments on or prepayments of the Mortgage Loan prior to the Purchase Date.

“Pass-Through Certificate Revenues” means all payments made under and pursuant to the Pass-Through Certificate.

“Pass-Through Rate” means the interest rate established with respect to the Pass-Through Certificate, which is ___% per annum.

“Payment Date” means (a) the First Payment Date, (b) prior to the Purchase Date and prior to the Initial Mandatory Redemption Date, as such date may be extended pursuant to the Indenture, the 26th day of the month (or the next Business Day if the 26th is not a Business Day), (c) commencing in the first month immediately following the month in which the Purchase Date occurs, one Business Day after each date principal, interest, or premium, if any, payment is made pursuant to the Pass-Through Certificate (which shall be the 25th day of the month, or the next Business Day if the 25th is not a Business Day, after payment is due on the underlying Mortgage Loan), and (d) with respect to any redemption pursuant to the provisions described under the caption “DESCRIPTION OF THE BONDS – Optional Exchange of Bonds for Pass-Through Certificate” herein, the Business Day on which the Trustee receives funds pursuant to the provisions described under the caption “DESCRIPTION OF THE BONDS – Optional Exchange of Bonds for Pass-Through Certificate” herein. The payment of interest on a Payment Date shall relate to the interest accrued during the preceding calendar month. There shall be no further accrual of interest from the Maturity Date to the final Payment Date.

“Permitted Investments” means, to the extent authorized by law for investment of moneys of the Issuer:

(a) Government Obligations; and

(b) subject to the ratings requirements set forth in this definition, shares in any money market mutual fund (including those of the Trustee or any of its affiliates) registered under the Investment Company Act of 1940, as amended, that have been rated AAAM-G or AAAM by S&P or Aaa-mf by Moody’s so long as the portfolio of such money market mutual fund is limited to Government Obligations and agreements to repurchase Government Obligations. If the Bonds are rated by a Rating Agency, the money market mutual fund must be rated AAAM-G or AAAM by S&P, if S&P is a Rating Agency, or Aaa-mf by Moody’s, if Moody’s is a Rating Agency. If at any time the Bonds are not rated (and, consequently,

* Preliminary; subject to change.

there is no Rating Agency), then the money market mutual fund must be rated AAAm-G or AAAm by S&P or Aaa-mf by Moody's. If at any time (i) the Bonds are not rated, (ii) both S&P and Moody's rate a money market mutual fund and (iii) one of those ratings is below the level required by this paragraph, then such money market mutual fund will, nevertheless, be deemed to be rated in the Highest Rating Category if the lower rating is no more than one rating category below the highest rating category of that rating agency.

"Placed in Service Date" means the date the Project is placed in service for purposes of Section 42 of the Code.

"Preference Proof Moneys" means (a) moneys drawn on a letter of credit, (b) proceeds of the Bonds, or (c) moneys in connection with which the Trustee shall have been delivered an opinion of bankruptcy counsel acceptable to it to the effect that the use of such moneys would not be avoidable as a preference under Section 547 of the United States Bankruptcy Code or give rise to a stay under Section 362(a) of the United States Bankruptcy Code.

"Proceeds Fund" means the Fund created and so designated in the Indenture.

"Project" means the multifamily rental housing development, known as Magnolia Terrace, located in Leon County, Florida, on the site described in the Mortgage.

"Purchase Date" means the date on which funds in the Collateral Security Principal Account are applied by the Trustee to the purchase of the Pass-Through Certificate.

"Qualified Financial Institution" means any of: (a) bank or trust company organized under the laws of any state of the United States of America, (b) national banking association, (c) savings bank, a savings and loan association, or an insurance company or association chartered or organized under the laws of any state of the United States of America, (d) federal branch or agency pursuant to the International Banking Act of 1978 or any successor provisions of law or a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, (e) government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York, (f) securities dealer approved in writing by Fannie Mae the liquidation of which is subject to the Securities Investors Protection Corporation or other similar corporation and (g) any other entity which is acceptable to Fannie Mae.

"Rating Agency" means Moody's or any other nationally recognized securities rating agency rating the Bonds, or such rating agency's successors or assigns.

"Rebate Fund" means the Fund created and so designated in the Indenture.

"Record Date" means the last Business Day of the month in the month immediately preceding each Payment Date.

"Redemption Price" means the amount required to be delivered to pay principal of, interest on, and redemption premium, if any, in connection with a redemption of the Bonds in accordance with the Indenture.

"Regulations" means the Income Tax Regulations promulgated or proposed under the Code by the Department of the Treasury, as the same may be amended after the date of the Indenture, including without limitation regulations promulgated by the Department of the Treasury to implement the requirements of Section 148 of the Code.

"Regulatory Agreement" means the Land Use Restriction Agreement relating to the Project, dated as of February 1, 2020, by and among the Issuer, the Trustee and the Borrower, as it may be amended, supplemented or restated from time to time.

"Rehabilitation Account" means the Account of that name created within the Proceeds Fund in the Indenture.

“Rehabilitation Agreement” means the provisions relating to rehabilitation of the Project set forth in the Loan Agreement.

“Representation Letter” has the meaning given to such term in the Indenture.

“Request Notice” has the meaning given to such term in the Indenture.

“Reserved Rights” means those certain rights of the Issuer under the Financing Agreement to indemnification and to payment or reimbursement of fees and expenses of the Issuer; its right to receive notices and to enforce notice and reporting requirements; its right to inspect and audit the books, records and premises of the Borrower and of the Project; its right to collect attorneys’ fees and related expenses; its right to specifically enforce the Borrower’s covenant to comply with applicable federal tax law and State law (including the Act and the rules and regulations of the Issuer, if any); its right to exercise the option to exchange Bonds for the Pass-Through Certificate or redeem such Bonds for cash pursuant to the Indenture; and its right to give or withhold consent to amendments, changes, modifications and alterations to the Financing Agreement.

“Responsible Officer” means any Vice President or Assistant Vice President of the Trustee having regular responsibility for corporate trust matters.

“Revenues” means the Pass-Through Certificate Revenues and the Operating Revenues.

“S&P” means S&P Global Ratings, and its successors and assigns, or if it is dissolved or no longer assigns credit ratings, then any other nationally recognized statistical rating agency, designated by Fannie Mae, that assigns credit ratings.

“Seller Loan” means a loan from Affordable Housing America, Inc., a [_____] corporation, to the Borrower in a principal amount of \$1,000,000.

“State” means the State of Florida.

“Substitute Depository” means a securities depository appointed as successor to DTC under the Indenture.

“Supplemental Indenture” means any indenture duly authorized and entered into after the date of the Indenture between the Issuer and the Trustee amending or supplementing the Indenture in accordance with the provisions of the Indenture.

“Term Sheet” means the Term Sheet relating to the terms of the Mortgage Loan, the Assigned Loan and, when and if issued, the Pass-Through Certificate, dated the Closing Date and attached as an exhibit to the Financing Agreement.

“Transfer Date” has the meaning given to such term in the Indenture.

“Trust Estate” means all the property, rights, moneys, securities and other amounts pledged and assigned to the Trustee pursuant to the Granting Clauses in the Indenture.

“Trustee” means The Bank of New York Mellon Trust Company, N.A.

“Trustee's Fee” means the ongoing compensation and expenses payable to the Trustee as follows: (a) the acceptance fee of the Trustee of \$2,000 payable on the date of issuance and delivery of the Bonds; (b) the annual administration fees and expenses of the Trustee, as Trustee, registrar and paying agent of \$4,250 for the ordinary services of the Trustee rendered under this Indenture during each 12 month period (including the amount payable to The Bank of New York Mellon Trust Company, in its capacity as dissemination agent pursuant to the continuing disclosure agreement related to the Bonds), payable semiannually in advance on each July 1 and January 1, commencing July 1, 2020; (c) the reasonable fees and charges of the Trustee for necessary extraordinary services rendered by it and extraordinary costs and expenses incurred by it under this Indenture as and when the same

become due, including reasonable counsel fees (including in-house counsel fees and fees prior to litigation, at trial, in insolvency proceedings or for appellate proceedings); provided, further, that the Trustee shall not be required to undertake any such extraordinary services unless provision for payment of extraordinary expenses satisfactory to the Trustee shall have been made; and (d) all amounts payable to the Trustee pursuant to the indemnification of the Trustee under the Financing Agreement.

“Underwriter” means RBC Capital Markets, LLC.

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APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following summary of certain provisions of the Indenture does not purport to be complete, and is qualified in its entirety by reference to the specific terms of the Indenture.

THE PRINCIPAL INSTALLMENTS OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE ISSUER, BUT ARE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER SECURED BY THE TRUST ESTATE, ARE AND WILL ALWAYS BE PAYABLE SOLELY FROM THE REVENUES AND INCOME DERIVED FROM THE TRUST ESTATE (EXCEPT TO THE EXTENT PAID OUT OF MONEYS ATTRIBUTABLE TO PROCEEDS OF THE BONDS OR THE INCOME FROM THE TEMPORARY INVESTMENT THEREOF), AND ARE AND WILL ALWAYS BE A VALID CLAIM OF THE OWNER THEREOF ONLY AGAINST THE REVENUES AND INCOME DERIVED FROM THE TRUST ESTATE, WHICH REVENUES AND INCOME MAY BE USED FOR NO OTHER PURPOSE THAN TO PAY THE PRINCIPAL INSTALLMENTS OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS, EXCEPT AS MAY BE EXPRESSLY AUTHORIZED OTHERWISE IN THE INDENTURE AND IN THE FINANCING AGREEMENT. THE OBLIGATION TO PAY THE PRINCIPAL INSTALLMENTS OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS DO NOT NOW AND WILL NEVER CONSTITUTE A DEBT OR AN OBLIGATION OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF AND NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF WILL BE LIABLE THEREFOR, WITHIN THE PURVIEW OF ANY CONSTITUTIONAL LIMITATION OR PROVISION, OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS, IF ANY, OF ANY OF THEM, BUT WILL BE SECURED AS AFORESAID, AND WILL BE PAYABLE SOLELY FROM THE REVENUES AND INCOME DERIVED FROM THE TRUST ESTATE (EXCEPT AS STATED AFORESAID). NO OWNER OF THE BONDS WILL HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER, IF ANY, OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO PAY ANY PRINCIPAL INSTALLMENT OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS. **THE ISSUER HAS NO TAXING POWER.** THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OR ANY OTHER FEDERAL GOVERNMENTAL AGENCY AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES.

Establishment of Funds

In addition to the Proceeds Fund established under the Indenture, the Trustee shall establish, maintain and hold in trust the following funds, each of which shall be disbursed and applied only as authorized in the Indenture:

- (a) the Bond Fund;
- (b) the Operating Fund;
- (c) the Costs of Issuance Fund;
- (d) the Collateral Security Fund; and
- (e) the Rebate Fund.

Application of Revenues

All Pass-Through Certificate Revenues shall be deposited by the Trustee, promptly upon receipt thereof, to the Bond Fund.

Application of Operating Fund

All Operating Revenues shall be deposited into the Operating Fund. Amounts in the Operating Fund shall be withdrawn by the Trustee and used solely to pay: *first*, any amount required to be deposited in the Rebate Fund to the extent sufficient funds are not otherwise made available to the Trustee for such purposes; *second*, the Issuer Fee; *third*, the Issuer Servicer Fee; *fourth*, the Trustee's fee; and *fifth*, the fees and expenses incurred in connection with the determination of rebatable arbitrage. In the event the amounts in the Operating Fund are not equal to the amounts payable from the Operating Fund on any date on which such amounts are due and payable to fund such deficiency, the Trustee shall give notice to the Borrower and the Investment Partner of such deficiency and of the amount of such deficiency and request payment within five Business Days to the Trustee of the amount of such deficiency. No amount shall be charged against the Operating Fund except as expressly provided under this caption.

Application of Bond Fund

The Trustee shall disburse from the Bond Fund, on each Payment Date an amount equal to the amount of the principal, including prepayments, premium, if any, and interest received on the Pass-Through Certificate on or immediately prior to such Payment Date.

Investment of Funds

The moneys held by the Trustee shall constitute trust funds for the purposes of the Indenture. Any moneys attributable to each of the Funds under the Indenture shall be invested by the Trustee at the written direction of the Borrower (except for the Rebate Fund, which shall be invested by the Trustee at the written direction of the Issuer) in Permitted Investments which mature or are redeemable at par on the earlier of (a) 180 days from the date of investment, or (b) the date on which such funds are expected to be needed for the purposes for which they are held. Notwithstanding anything in the Indenture to the contrary, all amounts in the Bond Fund, the Proceeds Fund, and the Collateral Security Fund shall be invested solely in Permitted Investments described in subparagraph (b) of the definition of Permitted Investments. If the Trustee does not receive written direction from the Borrower regarding the investment of any funds held by the Trustee under the Indenture, the Trustee shall invest such funds in Permitted Investments described in subparagraph (b) of the definition of Permitted Investments. The Trustee may conclusively rely upon the Borrower's written instructions as to both the suitability and legality of the directed investments.

Permitted Investments representing an investment of moneys attributable to any Fund or Account shall be deemed at all times to be a part of such Fund or Account. Such investments shall be sold at the best price obtainable whenever it shall be necessary to do so in order to provide moneys to make any transfer, withdrawal, payment or disbursement from such Fund or Account. In the case of any required transfer of moneys to another such Fund or Account, such investments may be transferred to that Fund or Account in lieu of the required moneys if permitted by the Indenture as an investment of moneys in that Fund or Account.

All Permitted Investments acquired by the Trustee pursuant to the Indenture shall be purchased in the name of the Trustee and shall be held for the benefit of the holders of the Bonds and Fannie Mae pursuant to the terms of the Indenture. The Trustee shall take such actions as shall be necessary to assure that such Permitted Investments are held pursuant to the terms of the Indenture and are subject to the trust and security interest created in the Indenture.

The Trustee shall not be liable or responsible for any loss resulting from any investment made in accordance with the Indenture. The Trustee shall have no liability in respect of losses incurred as a result of the liquidation of any investment prior to its stated maturity or the failure of the Issuer or the Borrower to provide timely written investment direction. Ratings of permitted investments shall be determined at the time of purchase of such permitted investments and without regard to ratings subcategories. The Trustee may make any and all such investments through its own banking department or the banking department of any affiliate and may charge its ordinary and customary fees for such trades, including account maintenance fees. The Trustee or its affiliates may act as sponsor, principal or agent in the acquisition or disposition of investments. The Trustee may commingle investments made under the Funds and Accounts established under the Indenture, but shall account for each separately.

In computing for any purpose under the Indenture the amount in any Fund on any date, obligations so purchased shall be valued at the lower of cost or par exclusive of accrued interest, and may be so valued as of any time within four days prior to such date.

The Issuer acknowledges that regulations of the Comptroller of the Currency grant the Borrower the right to receive brokerage confirmations of the security transactions as they occur. The Issuer and the Borrower agree that confirmations of security transactions are not required to be issued by the Trustee for each month in which a monthly statement is rendered, and no statement need be rendered for any fund or account if no activity occurred in such fund or account during such month.

Rebate Fund

The Rebate Fund shall not be subject to the lien or encumbrance of the Indenture, but shall be held in trust for the benefit of the United States of America, and shall be subject to the claim of no other person, including that of the Trustee, the Lender, Fannie Mae, and Bondholders. The interest on any Permitted Investments representing an investment of moneys in the Rebate Fund and any profit arising from the sale thereof shall be retained in the Rebate Fund. Any moneys deposited therein in accordance with the provisions of the Indenture shall be used for no other purpose than to make payments to the United States Treasury, at the time and in the manner and amount specified in the Indenture.

Costs of Issuance Fund

On or before the Closing Date, the Borrower shall deliver to the Trustee for deposit in the Costs of Issuance Fund, amounts to pay Costs of Issuance from sources other than Bond proceeds. The Trustee shall use amounts in the Costs of Issuance Fund to pay the Costs of Issuance on the Closing Date or as soon as practicable thereafter in accordance with written instructions to be given to the Trustee by the Borrower, upon delivery to the Trustee of appropriate invoices for such expenses. Any unexpended amounts attributable to deposits made by the Borrower remaining on deposit in the Costs of Issuance Fund six months after the Closing Date shall be returned to the Borrower and the Costs of Issuance Fund shall be closed.

Collateral Security Fund

(a) There shall be established within the Collateral Security Fund two Accounts: (i) a Collateral Security Principal Account, and (ii) a Collateral Security Interest Account.

(b) On the Closing Date, (i) the payment received by the Trustee from the Lender for the Assigned Loan in an amount equal to the principal amount of the Bonds shall be deposited to the Collateral Security Principal Account, (ii) Bond proceeds in an amount equal to accrued interest on the Bonds from February 1, 2020* to but not including the Closing Date shall be deposited to the Collateral Security Interest Account, and (iii) Bond proceeds in an amount equal to the interest on the Bonds for the remainder of the month of February, 2020*, from the Closing Date, to but not including April 28, 2020*, shall be deposited to the Collateral Security Interest Account (for a total deposit to the Collateral Security Interest Account equal to 87* days' interest on the Bonds).

(c) Moneys on deposit in the Collateral Security Fund (derived from the amount on deposit in the Collateral Security Principal Account and an amount on deposit in the Collateral Security Interest Account equal to the accrued interest on the Pass-Through Certificate) shall be applied by the Trustee to purchase the Pass-Through Certificate on the Purchase Date.

(d) If the Purchase Date occurs in the same month as the Closing Date (i.e., February 2020*) or in a subsequent month following the Payment Date for such month then following the Purchase Date the Trustee shall, in the case of the Bonds proceeds, transfer the remaining balance in the Collateral Security Interest Account to the Rehabilitation Account of the Proceeds Fund, or otherwise disburse such funds to the Borrower (after application of moneys therein to pay the accrued interest on the Pass-Through Certificate).

* Preliminary; subject to change.

(e) If the Purchase Date (i) occurs in a month following the Closing Date (e.g., March 2020*) and (ii) on or prior to the Payment Date for such month, then the Trustee shall retain the amount on deposit in the Collateral Security Interest Account and apply moneys from such Account to pay the interest on the Bonds on the next Payment Date. So long as payment has already been made or provided for with respect to the Payment Date in the month in which the Purchase Date occurs. Any balance in the Collateral Security Interest Account following such Payment Date shall be, in the case of Bond proceeds, transferred to the Rehabilitation Account of the Proceeds Fund, or otherwise disbursed to the Borrower (after application of moneys therein to pay the accrued interest on the Pass-Through Certificate).

(f) The Borrower may at any time (not later than the last day for which notice of redemption must be given) extend the Initial Mandatory Redemption Date or subsequent Mandatory Redemption Date by depositing Preference Proof Moneys (i) to the credit of the Collateral Security Principal Account in an amount sufficient to pay the principal of the Bonds from the last Payment Date through and including the extended Mandatory Redemption Date, and (ii) to the credit of the Collateral Security Interest Account in an amount sufficient to pay the interest on the Bonds from the last Payment Date to but not including the extended Mandatory Redemption Date (an "Extension Deposit"). The Trustee shall provide notice of such Extension Deposit and the extended Mandatory Redemption Date to Bondholders and the Rating Agency.

(g) Extension Deposits shall continue to be made by the Borrower until the Purchase Date occurs or the Borrower fails to make an Extension Deposit resulting in the mandatory redemption of the Bonds in whole pursuant to the Indenture.

(h) If a Purchase Date has not yet occurred and the Borrower has deferred the Initial Mandatory Redemption Date or any subsequent Mandatory Redemption Date by making an Extension Deposit, the Trustee shall apply amounts on deposit in the Collateral Security Interest Account to pay the preceding month's accrual of interest on the Bonds on the next Payment Date. Whether or not the Purchase Date has been extended, on any Payment Date, the Trustee shall also apply amounts on deposit in the Collateral Security Principal Account equal to the amount set forth in the Mortgage Loan amortization schedule as included in Exhibit A to the Financing Agreement on the first day of the month in which such Payment Date occurs to redeem principal of the Bonds on such Payment Date; such redemption shall be in an amount equal to the preceding month's principal amortization on the Mortgage Loan as set forth in the Mortgage Loan amortization included in Exhibit A to the Financing Agreement.

(i) After the Purchase Date, and after making the transfers set forth in paragraphs (d) and (e) above, the Trustee shall remit to the Borrower any moneys on deposit in the Bond Fund derived from the Mortgage Loan that are not needed to pay debt service on or the Redemption Price of the Bonds due to the operation of the Collateral Security Interest Account.

(j) Moneys on deposit in the Collateral Security Fund shall be invested as provided for under the caption "Investment of Funds" above at a yield not exceeding the yield on the Bonds.

Defeasance

If all Bonds shall be paid and discharged as provided under this caption, then all obligations of the Trustee and the Issuer under the Indenture with respect to all Bonds shall cease and terminate, except only (a) the obligation of the Trustee to pay or cause to be paid to the owners thereof all sums due with respect to the Bonds and to register, transfer and exchange Bonds pursuant to the Indenture, (b) the obligation of the Issuer to pay the amounts owing to the Trustee under the Indenture from the Trust Estate, and (c) the obligation of the Issuer to comply with certain provisions of the Indenture. Any funds held by the Trustee at the time of such termination which are not required for payment to Bondholders or for payment to be made by the Issuer, shall be paid as provided in the Indenture.

Any Bond or portion thereof in an authorized denomination shall be deemed no longer Outstanding under the Indenture if paid or discharged in any one or more of the following ways:

(i) by well and truly paying or causing to be paid the principal of and interest on such Bond which have become due and payable; or

(ii) by depositing with the Trustee, in trust, cash which, together with the amounts then on deposit in the Bond Fund and dedicated to this purpose, is fully sufficient to pay when due all principal of, premium, if any, and interest on such Bond to the maturity or earlier redemption date thereof; or

(iii) by depositing with the Trustee, in trust, any investments listed in subparagraph (a) under the definition of Permitted Investments in the Indenture in such amount as in the written opinion of a certified public accountant will, together with the interest to accrue on such Permitted Investments without the need for reinvestment, be fully sufficient to pay when due all principal of, premium, if any, and interest on such Bond to the maturity or earlier redemption date thereof, notwithstanding that such Bond shall not have been surrendered for payment.

Notwithstanding the foregoing, no deposit under clauses (ii) and (iii) above shall be deemed a payment of such Bond until the earlier to occur of:

(i) if such Bond is by its terms subject to redemption within 45 days, proper notice of redemption of such Bond shall have been previously given in accordance with the Indenture to the holder thereof or, in the event such Bond is not by its terms subject to redemption within 45 days of making the deposit under clauses (ii) and (iii) above, the Issuer shall have given the Trustee irrevocable written instructions to mail by first-class mail, postage prepaid, notice to the holder of such Bond as soon as practicable stating that the deposit required by clauses (ii) or (iii) above, as applicable, has been made with the Trustee and that such Bond is deemed to have been paid and further stating such redemption date or dates upon which money will be available for the payment of the principal and accrued interest thereon; or

(ii) the maturity of such Bond.

The Trustee shall be entitled to receive a report from a nationally recognized accounting firm with respect to the matters set forth in clause (iii) above regarding all Bonds to be defeased pursuant to the provisions described under this caption.

No Release of Pass-Through Certificate

Except as provided under this caption, "Transfer of Pass-Through Certificate" below and "DESCRIPTION OF THE BONDS – Optional Exchange of Bonds for Pass-Through Certificate," the Trustee shall not release and discharge the Pass-Through Certificate from the lien of the Indenture until the principal of, premium, if any, and interest on the Bonds shall have been paid or duly provided for under the Indenture. The Trustee shall not release or assign the Pass-Through Certificate to any person other than a successor Trustee so long as Fannie Mae shall not be in default thereunder.

Transfer of Pass-Through Certificate

While the Bonds are Outstanding, the Trustee shall maintain the Pass-Through Certificate in book entry form in the name of the Trustee and may not sell, assign, transfer or otherwise dispose of the Pass-Through Certificate except pursuant to the provisions described in "DESCRIPTION OF THE BONDS – Optional Exchange of Bonds for Pass-Through Certificate."

Modification of Mortgage Terms

To the extent allowed by applicable State law and upon the Borrower's request, the Issuer shall consent to the modification of, or modify, the amount of time or payment of any installment of principal or interest on the Mortgage Loan or the security for or any terms or provisions of the Mortgage Loan or Mortgage or the security for the same or the rate or rates of interest on the Mortgage Loans, solely to the extent required by federal or State law or regulations.

Events of Default

Each of the following shall constitute an Event of Default under the Indenture:

- (a) failure by Fannie Mae to pay principal, premium, if any, or interest due under the Pass-Through Certificate;
- (b) failure to pay the principal, premium, if any, or interest on the Bonds when the same shall become due; or
- (c) default in the observance or performance of any other covenant, agreement or condition on the part of the Issuer in the Indenture and the continuation of such default for a period of 90 days after written notice to the Issuer from the Trustee or to the Issuer and the Trustee from the registered owners of at least 75% in aggregate principal amount of the Bonds Outstanding at such time specifying such default and requiring the same to be remedied.

The Trustee, upon any failure by Fannie Mae to distribute to the Trustee any payment required to be made under the terms of the Pass-Through Certificate, shall notify Fannie Mae not later than the next Business Day (all such notices to be promptly confirmed in writing) requiring the failure to be remedied.

The Trustee will immediately notify the Issuer, the Bondholders, the Lender, the Borrower and Fannie Mae after a Responsible Officer obtains knowledge or receives written notice of the occurrence of an Event of Default or an event which would become an Event of Default with the passage of time or the giving of notice, or both.

Acceleration; Rescission of Acceleration

Upon the occurrence of an Event of Default as set forth in subparagraph (a) under the caption "Events of Default" above, the Trustee may, and upon the written request of the holders of not less than 75% in aggregate principal amount of the Bonds then Outstanding, which written request shall acknowledge that the amounts due on the Pass-Through Certificate cannot be accelerated solely by virtue of acceleration of the Bonds, and upon receipt of indemnity satisfactory to it, shall, by notice in writing delivered to the Issuer, declare the principal of all the Bonds then Outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable. Subject to the provisions described under the caption "No Interference or Impairment of Pass-Through Certificate" below, upon the occurrence of an Event of Default as set forth in subparagraph (b) under the caption "Events of Default" above, no action shall be taken by the Trustee, unless an Event of Default has occurred pursuant to subparagraph (a) thereof, in which event the Trustee shall proceed as provided above. An Event of Default as set forth in subparagraph (c) under the caption "Events of Default" above shall not give rise to an acceleration pursuant to the provisions described under this caption; provided, however, that following such an Event of Default, the holder of 100% of the Bonds then Outstanding may direct the Trustee in writing to transfer the Pass-Through Certificate to it or its designee, in which case, the Trustee shall cancel the Bonds upon such release and transfer of the Pass-Through Certificate, and upon such transfer, the Bonds will no longer be Outstanding. In the event any payments are received by the Trustee after the transfer of the Pass-Through Certificate and cancellation of the Bonds, all such payments shall belong to and be transferred to the owner of the Pass-Through Certificate.

Following any Event of Default under the Indenture, or in the event that interest on the Bonds ceases to be excluded from gross income for federal income tax purposes, any Beneficial Owner of the Bonds then Outstanding may direct the Trustee in writing to transfer its proportionate interest in the Pass-Through Certificate to it or its designee, in which case, the Trustee shall transfer and deliver to such requesting Beneficial Owner the Trustee's proportionate beneficial ownership interest in the Pass-Through Certificate promptly following (i) delivery to the Trustee (via DTC withdrawal or DWAC) of the Bonds being exchanged, and (ii) payment by the requesting owner of the Trustee's exchange fee (\$2,500 as of the date of the Indenture) with respect to such Bonds. Such proportionate interest in the Pass-Through Certificate will be in book-entry form. Transfers of the Beneficial Owner's proportionate interest in the Pass-Through Certificate will be made in accordance with (a) the operational arrangements of DTC (or any successor) and (b) current market practices, including the applicable provisions of

SIFMA's Uniform Practices for the Clearance and Settlement of Mortgage-Backed Securities and Other Related Securities. Upon receipt of such Bonds from the requesting Beneficial Owner, the Trustee will promptly cancel the Bonds being exchanged, which will not be reissued. Proportionate interests in the Pass-Through Certificates delivered in such an exchange will not be exchangeable for Bonds.

Interest on such Pass-Through Certificate is not excludable from gross income for federal income tax purposes. Owners of Bonds should consult their own tax advisors concerning that and other tax consequences of any exchange of a Bond for the Pass-Through Certificate.

The acceleration of the Bonds will not constitute a default under, or by itself cause the acceleration of, the Pass-Through Certificate.

If at any time after the Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the money due shall have been obtained or entered, the Issuer, the Borrower or Fannie Mae, as applicable, shall pay to or deposit with the Trustee a sum sufficient to pay all principal of the Bonds then due (other than solely by reason of such declaration) and all unpaid installments of interest, if any, on all the Bonds then due with interest at the rate borne by the Bonds on such overdue principal and (to the extent legally enforceable) on such overdue installments of interest, and the reasonable expenses of the Trustee shall have been made good or cured or adequate provisions shall have been made therefor, and all other defaults under the Indenture have been made good or cured or waived in writing by the holders of a majority in principal amount of the Bonds then Outstanding, then and in every case, the Trustee on behalf of the holders of all the Bonds shall rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent Event of Default, nor shall it impair or exhaust any right or power consequent thereon.

Other Remedies; Rights of Bondholders

Subject to the provisions described under the caption "No Interference or Impairment of Pass-Through Certificate" below, upon the happening and continuance of an Event of Default the Trustee in its own name and as trustee of an express trust, on behalf and for the benefit and protection of the holders of all Bonds, may also proceed to protect and enforce any rights of the Trustee and, to the full extent that the holders of such Bonds themselves might do, the rights of such Bondholders under the laws of the State or under the Indenture by such of the following remedies as the Trustee shall deem most effectual to protect and enforce such rights:

- (a) by pursuing any available remedies under the Financing Agreement, the Regulatory Agreement or the Pass-Through Certificate;
- (b) upon an Event of Default as described in subparagraph (a) under the caption "Events of Default" above, only, by realizing or causing to be realized through sale or otherwise upon the security pledged under the Indenture (including the sale or disposition of the Pass-Through Certificate); and
- (c) by action or suit in equity, to enjoin any acts or things which may be unlawful or in violation of the rights of the holders of the Bonds and to execute any other papers and documents and do and perform any and all such acts and things as may be necessary or advisable in order to have the respective claims of the Bondholders against the Issuer allowed in any bankruptcy or other proceeding.

If an Event of Default shall have occurred, and if the holders of not less than 75% in aggregate principal amount of the Bonds then Outstanding request the Trustee to exercise one or more of the rights and powers conferred by the Indenture, then the Trustee (upon being indemnified to the satisfaction of the Trustee and subject to the limitations set forth above and in the Indenture) shall be obligated to exercise one or more of the rights and powers conferred by the Indenture as the Trustee, being advised by and in reliance upon counsel, shall deem to be in the best interests of the Bondholders.

No right or remedy by the terms of the Indenture conferred upon or reserved to the Trustee (or to the Bondholders) is intended to be exclusive of any other right or remedy, but each and every such right and remedy shall be cumulative and shall be in addition to any other right or remedy given to the Trustee or to the Bondholders

under the Indenture, the Financing Agreement, the Regulatory Agreement or the Pass-Through Certificate existing at law or in equity as of or after the date of the Indenture.

No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein and every such right and power may be exercised from time to time as often as may be deemed expedient.

No waiver of any default or Event of Default under the Indenture, whether by the Trustee or by the Bondholders, shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereon.

Application of Moneys After Default

All moneys collected by the Trustee at any time pursuant to the Indenture shall, except to the extent, if any, otherwise directed by a court of competent jurisdiction, be credited by the Trustee to the Bond Fund. Such moneys so credited to the Bond Fund and all other moneys from time to time credited to the Bond Fund shall at all times be held, transferred, withdrawn and applied as prescribed by the provisions of the Indenture.

Subject in all instances to the provisions of the Indenture, in the event that at any time the moneys credited to the Bond Fund, or any other funds held by the Issuer or the Trustee available for the payment of interest or principal then due with respect to the Bonds, shall be insufficient for such payment, such moneys and funds (other than funds held for the payment or redemption of particular Bonds as provided in the Indenture) shall be applied as follows:

(a) only in the event that there has been an Event of Default under the Indenture pursuant to subparagraph (a) under the caption "Events of Default" above as a result of a failure by Fannie Mae to make payments under the Pass-Through Certificate, for payment of all amounts due to the Trustee incurred in performance of its duties under the Indenture and the other documents executed in connection therewith, including, without limitation, the payment of all reasonable fees and expenses of the Trustee incurred in exercising any remedies under the Indenture and the other documents executed in connection with the Indenture;

(b) unless the principal of all of the Bonds shall have become or have been declared due and payable:

(i) *first:* to the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available is not sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference; and

(ii) *second:* to the payment to the persons entitled thereto of the unpaid principal of and premium, if any, on any Bonds which shall have become due, whether at maturity or by call for redemption, in the order in which they became due and payable, and, if the amount available is not sufficient to pay in full all the principal of and premium, if any, on the Bonds so due on any date, then to the payment of principal ratably, according to the amounts due on such date, to the persons entitled thereto, without any discrimination or preference and then to the payment of any premium due on the Bonds, ratably, according to the amounts due on such date, to the persons entitled thereto, without any discrimination or preference; and

(c) if the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal of, premium, if any, and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other 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 any difference in the respective rates of interest specified in the Bonds.

Control of Proceedings

In the case of an Event of Default pursuant to subparagraph (a) under the caption “Events of Default” above, the holders of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, subject to the provisions of the Indenture, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee; provided, however, that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed may not be taken lawfully, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or otherwise adversely affect the Trustee or be unjustly prejudicial to Bondholders not parties to such direction.

No Interference or Impairment of Pass-Through Certificate

Notwithstanding any other provision of the Indenture to the contrary, so long as the Pass-Through Certificate remains outstanding and Fannie Mae is not in default in its payment obligations thereunder, neither the Issuer, the Trustee nor any person under their control shall, without the prior written consent of Fannie Mae, exercise any remedies or direct any proceedings under the Indenture other than to (a) enforce rights under the Pass-Through Certificate, (b) enforce the tax covenants in the Indenture and the Financing Agreement, or (c) enforce rights of specific performance under the Regulatory Agreement; provided, however, that any enforcement under (b) or (c) above shall not include seeking monetary damages other than actions for the Issuer’s fees and expenses or the Trustee’s fees and expenses.

Nothing contained in the Indenture shall affect or impair the right of any Bondholder to enforce the payment of the principal of, premium, if any, and interest on any Bond at the maturity thereof or the obligation of the Trustee to pay the principal of, premium, if any, and interest on the Bonds issued under the Indenture to the respective holders thereof, at the time, in the place, from the sources and in the manner expressed in the Indenture and in said Bonds.

Supplemental Indentures Effective Upon Acceptance

For any one or more of the following purposes and at any time or from time to time, the Issuer and the Trustee may enter into a Supplemental Indenture which, upon the execution and delivery thereof by an Authorized Officer and by the Trustee, and with the prior written consent of Fannie Mae, but without the necessity of consent of the Bondholders, shall be fully effective in accordance with its terms:

(a) to add to the covenants or agreements of the Issuer contained in the Indenture other covenants or agreements to be observed by the Issuer or to otherwise revise or amend the Indenture in a manner which are/is not materially adverse to the interests of the Bondholders;

(b) to add to the limitations or restrictions contained in the Indenture other limitations or restrictions to be observed by the Issuer which are not contrary to or inconsistent with the provisions of the Indenture as theretofore in effect;

(c) to surrender any right, power or privilege reserved to or conferred upon the Issuer in the Indenture, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Issuer contained in the Indenture and is not materially adverse to the interests of the Bondholders;

(d) to confirm, as further assurance, any pledge of the Trust Estate under the Indenture and the subjection to any lien on or pledge of the Trust Estate created or to be created by the Indenture;

- (e) to appoint a co-trustee or successor Trustee or successor co-trustee;
- (f) to cure any ambiguity, supply any omission or cure or correct any defect or inconsistent provision in the Indenture;
- (g) to insert such provisions clarifying matters or questions arising under the Indenture as are necessary or desirable and are not materially adverse to the interests of the Bondholders; and
- (h) to make such changes and modifications that are necessary or desirable to provide for all principal, premium, if any, and interest paid with respect to the Bonds are in the exact respective amounts of the payments of principal, premium, if any, and interest paid under and pursuant to the Pass-Through Certificate.

Supplemental Indentures Requiring Consent of Bondholders

In addition to those amendments to the Indenture which are authorized by the provisions described under the caption "Supplemental Indentures Effective Upon Acceptance" above, any modification or amendment of the Indenture may be made by a Supplemental Indenture with the written consent, given as provided in the Indenture, of Fannie Mae and the holders of at least two thirds in aggregate principal amount of the Bonds Outstanding at the time such consent is given; provided, however, that no such modification or amendment shall (a) permit a change in the terms of redemption or maturity of the principal amount of any Outstanding Bond or an extension of the date for payment of any installment of interest thereon or a reduction in the principal amount of, premium, if any, or the rate of interest on any Outstanding Bond without the consent of the holder of such Bond, (b) reduce the proportion of Bonds the consent of the holders of which is required to effect any such modification or amendment or to effectuate an acceleration of the Bonds prior to maturity, (c) permit the creation of a lien on the Trust Estate pledged under the Indenture prior to or on a parity with the lien of the Indenture, (d) deprive the holders of the Bonds of the lien created by the Indenture upon the Trust Estate (except as expressly provided in the Indenture), without (with respect to (b) through (d)) the consent of the holders of all Bonds then Outstanding, or (e) change or modify any of the rights or obligations of the Trustee without the written consent thereto of the Trustee.

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APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AGREEMENT

The summary does not purport to be complete or definitive and is qualified in its entirety by reference to the Financing Agreement, copies of which are on file with the Trustee.

Amount and Source of Mortgage Loan

Upon the issuance and delivery of the Bonds, pursuant to the Indenture the Issuer will make the Mortgage Loan to the Borrower and the Borrower will apply the proceeds of the Bonds as provided in the Indenture to pay the Project costs. The Trustee shall apply the proceeds of the Assigned Loan as provided in “APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Collateral Security Fund” to secure the Bonds until the Purchase Date and then to purchase the Pass-Through Certificate as directed pursuant to the Indenture. The Borrower accepts the Mortgage Loan from the Issuer, upon the terms and conditions set forth in the Financing Agreement, in the Mortgage Loan Documents and in the Indenture, and subject to the terms and conditions of the Regulatory Agreement. The Issuer has caused the proceeds of the Assigned Loan to be provided to the Trustee for deposit to the Collateral Security Principal Account of the Collateral Security Fund. The Borrower acknowledges its obligation to pay all amounts necessary to pay principal of and interest on the Bonds. The Borrower has made arrangements for the delivery to the Trustee of the Pass-Through Certificate and of certain other Preference Proof Moneys as contemplated in the Financing Agreement and in the Indenture. Payments on the Pass-Through Certificate received by the Trustee shall be credited to amounts due from the Borrower for payment of principal of, premium, if any, and interest on the Bonds.

Payment of Fees and Expenses

In addition to all fees, costs, expenses and other amounts required to be paid by the Borrower under the Mortgage Note, the Borrower shall pay, without duplication, the following fees and expenses:

- (a) The Trustee’s Fee.
- (b) The Issuer Fee and all amounts required to be paid to the Issuer or to any payee designated by the Issuer, all expenses of the Issuer incurred at any time related to the Project or the financing thereof which are not paid from the amounts held under the Indenture, including, without limitation, reasonable legal fees and expenses incurred in connection with the interpretation, performance, enforcement or amendment of any documents relating to the Project or the Bonds or in connection with questions or other matters arising under such documents, which amounts shall be paid not later than 30 days after receipt of an invoice or other request for payment thereof.
- (c) The Issuer Servicer Fee.
- (d) The fees of the rebate monitor as required by the Tax Certificate and any out-of-pocket expenses of the rebate monitor shall be paid not later than 30 days after receipt of an invoice or other request for payment thereof.
- (e) The annual rating maintenance fee, if any, of any Rating Agency then rating the Bonds shall be paid not later than 30 days after receipt of an invoice or other request for payments thereof.
- (f) All Costs of Issuance of the Bonds, including, but not limited to, Rating Agency fees, printing expenses, attorneys’ fees and underwriters’ fees, and all expenses of originating the Mortgage Loan by the Lender and assigning and delivering the Mortgage Loan to Fannie Mae, the Borrower acknowledging that all such fees, costs and expenses (excluding the portions of the ongoing trust administration fees of the Trustee, the Issuer’s annual fee and the rebate monitor’s fee to the extent included in the Mortgage Note Rate, as such term is defined in the Financing Agreement) must be paid by

the Borrower separate and apart from payments due under the Mortgage Loan and will not be included in the Mortgage Note Rate.

(g) The Costs of Issuance deposit to be made to the Costs of Issuance Fund on the Closing Date pursuant to the Indenture.

The Borrower shall either pay the foregoing items directly or, to the extent such items are to be paid by the Trustee under the Indenture, shall pay as Operating Revenue to the Trustee for deposit to Operating Fund under the Indenture amounts sufficient to enable the Trustee to pay the foregoing items in a timely manner; provided that the Borrower shall pay the Issuer Fee in semiannual installments to the Lender and the Lender shall remit such payments to the Trustee.

The Borrower shall pay through the Lender all fees and expenses not included within the Mortgage Note Rate. All fees and expenses not included in the Mortgage Note Rate shall not be secured by the Mortgage, and shall be subordinate to the Borrower's obligations under the Mortgage Loan in all respects. No such fees or expenses payable to the Issuer or the Trustee shall be paid from the proceeds of the Pass-Through Certificate, except with respect to the Trustee to the extent set forth in the Indenture.

Notification of Prepayment of Mortgage Note

The Lender shall notify the Trustee promptly of the receipt of any prepayment of the Mortgage Note, whether upon acceleration, by reason of application of insurance or condemnation proceeds, optional prepayment or otherwise, unless the Lender has received written evidence that the Borrower has notified the Trustee of such prepayment. If such prepayment results in revisions to the amortization schedule included in Exhibit A to the Financing Agreement, then the Lender shall provide the revised amortization schedule to the Trustee.

Term Sheet

The Lender has delivered on the Closing Date the Term Sheet in the form attached as Appendix H hereto and certifies that the information set forth therein is accurate as of the Closing Date. The Lender agrees that it will promptly advise the Issuer, the Trustee, the Issuer Servicer and the Underwriter in writing of any material changes which occur in the information set forth in the Term Sheet after the Closing Date and before the date on which the Pass-Through Certificate is acquired by the Trustee pursuant to the provisions of the Indenture; provided, however, that except as set forth in the Indenture, such changes may only be made to cure any ambiguity, supply any omission or cure or correct any defect or inconsistent provision in the Term Sheet.

Indemnification

The Borrower's release and indemnification covenants with respect to the Issuer are set forth in the Rider to the Financing Agreement.

The Borrower covenants and agrees to indemnify, hold harmless and defend the Trustee, the Lender and their respective officers, members, directors, officials, agents and employees and each of them (each an "Indemnified Party") from and against, (a) any and all claims, joint or several, by or on behalf of any person arising from any cause whatsoever in connection with transactions contemplated by the Financing Agreement or otherwise in connection with the Project, the Bonds or the execution or amendment of any document relating thereto; (b) any and all claims, joint or several, arising from any cause whatsoever in connection with the approval of financing for the Project or the making of the Mortgage Loan; (c) any and all claims, joint or several, arising from any act or omission of the Borrower or any of its agents, servants, employees or licensees, in connection with the Mortgage Loan or the Project; (d) all reasonable costs, counsel fees, expenses or liabilities incurred in connection with any such claim, or proceeding brought thereon; (e) any and all claims arising in connection with the issuance and sale, resale or remarketing of any Bonds or any certifications or representations made by any Person (as such term is defined in the Financing Agreement) other than the Issuer or the party seeking indemnification in connection therewith and the carrying out by the Borrower of any of the transactions contemplated by the Bonds, the Indenture, the Regulatory Agreement and the Financing Agreement; (f) any and all claims arising in connection with the

operation of the Project, or the conditions thereof, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from the planning, design, acquisition, installation or construction of, the Project or any part thereof; and (g) any and all losses, claims, damages, liabilities or expenses, joint or several, arising out of or connected with the Trustee's acceptance or administration of the trusts created by the Indenture and the exercise of its powers or duties thereunder or under the Financing Agreement, the Regulatory Agreement or any other agreements in connection therewith to which it is a party; except (i) in the case of the foregoing indemnification of the Trustee or the Lender or any of their respective officers, members, directors, officials and employees, to the extent such damages are caused by the negligence or willful misconduct of such Person; or (ii) in the case of the foregoing indemnification of the Issuer or any of its officers, members, directors, officials and employees, to the extent such damages are caused by the willful misconduct of such Person. In the event that any action or proceeding is brought against any Indemnified Party with respect to which indemnity may be sought under the Financing Agreement, the Borrower, upon written notice from the Indemnified Party, shall assume the investigation and defense thereof, including the employment of counsel selected by the Borrower, subject to the approval of the Indemnified Party in such party's sole but reasonable discretion, and shall assume the payment of all expenses related thereto, with full power to litigate, compromise or settle the same in its sole but reasonable discretion; provided that the Trustee and the Lender shall have the right to review and approve or disapprove any such compromise or settlement. Each Indemnified Party shall have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defense thereof, and the Borrower shall pay the reasonable fees and expenses of such separate counsel; provided, however, that unless such separate counsel is employed with the approval of the Borrower, which approval shall not be unreasonably withheld or delayed, the Borrower shall not be required to pay the fees and expenses of such separate counsel.

Notwithstanding any transfer of the Project to another owner in accordance with the provisions of the Regulatory Agreement, the Borrower shall remain obligated to indemnify each Indemnified Party pursuant to the provisions described under this caption if such subsequent owner fails to indemnify any party entitled to be indemnified under the Financing Agreement, unless such Indemnified Party has consented to such transfer and to the assignment of the rights and obligations of the Borrower under the Financing Agreement.

During any period that Fannie Mae owns the Project and that the provisions described under this caption are applicable to Fannie Mae, Fannie Mae's obligations under this caption shall be limited to acts and omissions of Fannie Mae occurring during the period of Fannie Mae's ownership of the Project.

Events of Default

Each of the following shall constitute an event of default under the Financing Agreement, and the term "Event of Default" shall mean, whenever used in the Financing Agreement, any one or more of the following events:

(i) failure by the Borrower to pay any amounts due under the Financing Agreement at the times and in the amounts required thereby; or

(ii) failure by the Borrower to observe or perform any covenants, agreements or obligations in the Financing Agreement on its part to be observed or performed (other than as provided in clause (a) above) for a period of 30 days after receipt of written notice specifying such failure and requesting that it be remedied, given to the Borrower by any party to the Financing Agreement; provided, however, that if said failure shall be such that it cannot be corrected within such period, it shall not constitute an Event of Default if the failure is correctable without material adverse effect on the Bonds and if corrective action is instituted by the Borrower within such period and diligently pursued until the failure is corrected, and provided further that any such failure shall have been cured within 90 days of receipt of notice of such failure; or

(iii) breach of any of the covenants, agreements or obligations of the Borrower under or the occurrence of a default which is continuing under the Regulatory Agreement, including any exhibits to any of the foregoing not cured within the applicable cure period described therein, if any; or

(iv) the occurrence of an Event of Default caused by the Borrower under and as defined in the Indenture or under any of the other Bond Documents.

Nothing contained in the provisions of the Financing Agreement described under this caption is intended to amend or modify any of the provisions of the Mortgage Loan Documents nor to bind the Borrower, the Lender or Fannie Mae to any notice and cure periods other than as expressly set forth in the Mortgage Loan Documents.

Remedies Upon an Event of Default

(a) Subject to the provisions of the Financing Agreement described in paragraph (d) below, whenever any Event of Default shall have occurred and be continuing, the Issuer or the Trustee may take any one or more of the following remedial steps:

(i) By any suit, action or proceeding, pursue all remedies existing at law or in equity as of or after the date of the Financing Agreement to collect all amounts then due and thereafter to become due under the Financing Agreement, to enforce the performance of any covenant, obligation or agreement of the Borrower under the Financing Agreement (subject to the nonrecourse provisions of the Financing Agreement and the Regulatory Agreement) or, to enjoin acts or things which may be unlawful or in violation of the rights of the Issuer or the Trustee.

(ii) Take whatever other action at law or in equity may appear necessary or desirable to enforce any monetary obligation of the Borrower under the Financing Agreement or to enforce any other covenant, obligation or agreement of the Borrower under the Financing Agreement, or the Regulatory Agreement.

(iii) Have access to and inspect, examine, audit and make copies of the books and records and any and all accounts, data and income tax and other tax returns of the Borrower.

(b) The provisions of the Financing Agreement described in paragraph (a) above are subject to the condition that if, after any Event of Default, except a default under the Regulatory Agreement, (i) all amounts which would then be payable under the Financing Agreement by the Borrower if such Event of Default had not occurred and was not continuing shall have been paid by or on behalf of the Borrower, and (ii) the Borrower shall have also performed all other obligations in respect of which it is then in default under the Financing Agreement and shall have paid the reasonable charges and expenses of the Issuer and the Trustee, including reasonable attorney fees and expenses paid or incurred in connection with such default, then and in every such case, such Event of Default may be waived and annulled by the Trustee, but no such waiver or annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon.

(c) Subject to the limitations of the Regulatory Agreement and the Financing Agreement, the Issuer, without the consent of the Trustee, but only after written notice to the Trustee, the Borrower, the Lender and Fannie Mae, may take whatever action at law or in equity may appear necessary or desirable to enforce performance and observance of any Reserved Right of the Issuer; provided that, the Issuer may not (i) terminate the Financing Agreement or cause the Mortgage Loan to become due and payable, (ii) cause the Trustee to declare the principal of all the Bonds then Outstanding and the interest accrued thereon to be immediately due and payable, or cause the Trustee to accelerate, foreclose or take any other action or seek other remedies under the Bond Documents, the Mortgage Loan Documents or any other documents contemplated thereby to obtain such performance or observance, (iii) cause the acceleration, foreclosure or taking of any other action or the seeking of any remedies under the Mortgage Loan Documents, (iv) initiate or take any action which may have the effect, directly or indirectly, of impairing the ability of the Borrower to timely pay the principal, interest and other amounts due under the Mortgage Loan, or (v) interfere with or attempt to influence the exercise by Fannie Mae of any of its rights under the Bond Documents or the Mortgage Loan Documents.

(d) Except as required to be deposited in the Rebate Fund pursuant to the Tax Certificate any amounts collected pursuant to action taken under the provisions of the Financing Agreement described under this caption shall, after the payment of the costs and expenses of the proceedings resulting in the collection of such moneys and

of the expenses, liabilities and advances incurred or made by the Trustee, the Issuer, the Lender or Fannie Mae and their respective counsel, be applied in accordance with the provisions of the Indenture. No action taken pursuant to the provisions described under this caption shall relieve the Borrower from the Borrower's obligations pursuant to the provisions described under the caption "Indemnification" above.

(e) No remedy in the Financing Agreement conferred upon or reserved to the Issuer or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy existing pursuant to any other agreement at law or in equity or by statute as of or after the date of the Financing Agreement.

(f) Notwithstanding any other provision of the Financing Agreement to the contrary, after the Purchase Date, so long as Fannie Mae is not in default under the Pass-Through Certificate, none of the Issuer, the Trustee or any Person under their control shall exercise any remedies or direct any proceedings under the Financing Agreement or the Mortgage Loan Documents, other than to (i) enforce rights under the Pass-Through Certificate, (ii) enforce the tax covenants in the Indenture and the Financing Agreement, or (iii) enforce rights of specific performance under the Regulatory Agreement; provided, however, that any enforcement under (ii) or (iii) above shall not include seeking monetary damages.

Default Under Regulatory Agreement

If the Borrower fails, at any time for any reason, to comply with the requirements of the Regulatory Agreement, then within 30 days after the earlier of the date the violation is discovered by the Issuer or the date the Issuer or the Trustee received notice thereof, the Issuer (if necessary to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes) or the Trustee, on behalf and at the written direction of the Issuer, shall institute an action for specific performance to correct the violation. The Borrower acknowledges and agrees that were money damages a remedy under the Regulatory Agreement, money damages alone would not be an adequate remedy at law for a default by the Borrower arising from a failure to comply with the Regulatory Agreement, and therefore the Borrower agrees that the remedy of specific performance (subject to the provisions described in paragraph (c) under the caption "Remedies Upon an Event of Default" above) shall be available to the Issuer and the Trustee in any such case.

Notwithstanding the availability of the remedy of specific performance provided for in the paragraph above, promptly upon determining that a violation of the Regulatory Agreement has occurred, the Issuer shall, by notice in writing to the Lender, inform the Lender that a violation of the Regulatory Agreement has occurred; notwithstanding the occurrence of such violation, neither the Issuer nor the Trustee shall have, and each of them acknowledges that they shall not have, any right to cause or direct acceleration of the Mortgage Loan, to enforce the Mortgage Note or to foreclose on the Mortgage.

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APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT

The Regulatory Agreement contains terms and conditions relating to the issuance and sale of Bonds under it, including various covenants and security provisions, certain of which are summarized below. This summary does not purport to be comprehensive or definitive and is subject to all of the provisions of the Regulatory Agreement which reference is hereby made, a copy of which is on file with the Trustee. This summary uses various terms defined in the Regulatory Agreement and such terms as used herein shall have the same meanings as so defined.

The Borrower will execute the Regulatory Agreement with respect to the Development. The Regulatory Agreement contains representations and covenants of the Borrower concerning the acquisition, rehabilitation, and equipping of the Development and the tax-exempt status of the Bonds that must be complied with continuously subsequent to the date of issuance of the Bonds in order that interest on the Bonds be excluded from gross income for federal income tax purposes.

As used herein:

“Affiliated Party” of a person means a person such that (a) the relationship between such persons would result in a disallowance of losses under Section 267 or 707(b) of the Code, or (b) such persons are members of the same controlled group of corporations as defined in Section 1563(a) of the Code, except that “more than 50 percent” shall be substituted for “at least 80 percent” each place it appears therein.

“Applicable Income Limit” means 60% of area median gross income (within the meaning of Section 142(d) of the Code) for the City of Tallahassee, Leon County, Florida, Standard Metropolitan Statistical Area, as determined by the Secretary of the United States Department of the Treasury in a manner consistent with determinations of lower income families and area median gross income under Section 8 of the Housing Act, as amended (or if such program is terminated, under such program as in effect immediately before such termination), including adjustments for family size.

“Available Units” means residential units in a residential rental project that are actually occupied and residential units in the project that are unoccupied and have been leased at least once after becoming available for occupancy, provided that (a) in the case of an acquisition of an existing residential rental project, a residential unit that is unoccupied on the later of (i) the date the Project is acquired or (ii) the issue date of the First Bonds, is not an Available Unit and does not become an Available Unit until it has been leased for the first time after such date, and (b) a residential unit that is not available for occupancy due to renovations is not an Available Unit and does not become an Available Unit until it has been leased for the first time after the renovations are completed.

“Bond Counsel” means a firm of nationally recognized standing in the field of municipal finance law whose opinions are generally accepted by purchasers of public obligations and who is acceptable to the Trustee.

“Certificate of Continuing Program Compliance” means the certificate required to be delivered by the Borrower to the Issuer Servicer pursuant to the Regulatory Agreement.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, including, when appropriate, the statutory predecessor thereof, or any applicable corresponding provisions of any future laws of the United States of America relating to federal income taxation, and except otherwise provided herein or required by the context hereof, includes interpretations thereof contained or set forth in the applicable regulations of the Department of Treasury (including applicable final or temporary regulations and also including regulations issued pursuant to the statutory predecessor of the Code, the applicable rulings of the Internal Revenue Service (including published Revenue Rulings and private letter rulings), and applicable court decisions).

“County” means Leon County, Florida.

“Current Annual Family Income” is determined in accordance with Section 8 of the Housing Act, as amended (or, if such program is terminated, under such program as in effect immediately before such termination), and includes wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other forms of compensation for personal services; net income from operation of a business or a profession; interest, dividends, and other net income of any kind from real or personal property; periodic payments from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits or similar types of periodic receipts; payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay; welfare assistance, periodic and determinable allowances such as alimony and child support; regular pay, special pay, and allowances of a member of the Armed Forces; and other forms of income described in the Income Certification to be provided by the Borrower to the Issuer Servicer as provided in the Regulatory Agreement, but does not include earnings of children under 18, payments received for care of foster children or adults, lump sum insurance payments, inheritances, capital gains and settlements for personal or property losses, amounts received specifically for, or in reimbursement of, the cost of medical expenses, income of a live-in aide, certain student financial assistance, special pay to a member of the Armed Forces who is exposed to hostile fire, amounts received under certain training programs and other social service programs, temporary, nonrecurring or sporadic income, or other forms of income that the Income Certification specifies may be excluded.

“Development” means the multifamily residential rental housing development known as Magnolia Terrace, located on the Land and financed, in part, with proceeds of the Bonds pursuant to the Financing Agreement.

“Eligible Persons” means one or more natural persons or a family, irrespective of race, creed, religion, color, national origin, marital status, handicap or sex.

“Financing Agreement” means that certain Financing Agreement entered into among the Borrower, the Trustee, the Lender, and the Issuer, dated as of February 1, 2020, as amended or supplemented from time to time.

“First Bonds” means the first issue of bonds to which Section 142(d) of the Code applies issued to finance the acquisition of a residential rental project.

“Housing Act” means the United States Housing Act of 1937, as amended from time to time, any successor legislation, and all implementing regulations issued thereunder or in furtherance thereof.

“HUD” means the United States Department of Housing and Urban Development or any successor agency.

“Indenture” means the Indenture of Trust, entered into between the Issuer and the Trustee, dated as of February 1, 2020, as amended or supplemented from time to time, pursuant to which the Bonds are authorized to be issued.

“Issuer Servicer” means, initially, Seltzer Management Group, Inc., or its successors or assigns and thereafter, any Issuer Servicer employed by the Issuer to service the Mortgage Loan and to monitor the Borrower's compliance with the requirements of the Regulatory Agreement, the Indenture, the Financing Agreement and the Construction Loan and Mortgage Servicing Agreement.

“Land” means the real property located in Leon County, Florida, described in an exhibit to the Regulatory Agreement.

“Lower-Income Persons” means Eligible Persons whose Current Annual Family Income does not exceed the Applicable Income Limit; provided, however, that the occupants of a unit shall not be considered to be Lower-Income Persons if all of the occupants of such unit are students (as defined in Section 152(f)(2) of the Code), no one of whom is entitled to file a joint return under Section 6013 of the Code. Notwithstanding the foregoing, a dwelling unit shall not fail to be treated as a dwelling unit that is occupied by Lower-Income Persons merely because such dwelling unit is occupied (a) by an individual who is a student and (i) receiving assistance under Title IV of the Social Security Act, (ii) was previously under the care and placement responsibility of the State agency program responsible for administering a plan under Part B or Part E of Title IV of the Social Security Act, or (iii) enrolled in a job training program receiving assistance under the Job Training Partnership Act or under other similar federal,

State or local laws, or (b) entirely by full-time students if such students are (i) single parents and their children and such parents are not dependents of another individual and such children are not dependents of another individual other than a parent of such children, or (ii) married and file a joint return.

“Mortgage” means Multifamily Mortgage, Assignment of Leases, Rents, Security Agreement and Fixture Filing, dated February __, 2020, together with all riders and exhibits, securing the Mortgage Note, executed by the Borrower with respect to the Project, as it may be amended, supplemented, or restated from time to time.

“Mortgage Loan” means the mortgage loan made by the Issuer to the Borrower made pursuant to the Financing Agreement and evidenced by the Mortgage Note.

“Mortgage Note” means the note from the Borrower, dated February __, 2020, payable to the order of the Issuer and endorsed by the Issuer, without recourse, to the order of the Lender.

“Partnership Agreement” means the Amended and Restated Partnership Agreement of the Borrower dated as of February 1, 2020, as the same may be amended from time to time.

“Project” means the acquisition, rehabilitation, and equipping of a multifamily residential housing facility for low, middle, or moderate income persons to be located at 509 E. Magnolia Drive, Tallahassee, Leon County, Florida 32301, more commonly known as Magnolia Terrace Apartments.

“Qualified Project Period” means the period beginning on the later of (a) the first day on which at least 10% of the units in the Development are first occupied and (b) the date the Bonds are issued, and ending on the latest of (i) the date that is fifteen years after the date on which at least 50% of the units in the Development are first occupied, (ii) the first date on which no tax-exempt private activity bonds issued with respect to the Development is outstanding (within the meaning of the Code); (iii) the date on which any assistance provided with respect to the Development under Section 8 of the Housing Act terminates, and (iv) the date which is 30 years from the date of issuance of the Bonds.

“Regulations” means the Income Tax Regulations issued under the Code, as applicable (including applicable final regulations or temporary regulations).

“State” means the State of Florida.

Residential Rental Property

The Borrower has declared its understanding and intent that, during the term of the Regulatory Agreement, the Project is to be owned, managed, and operated, as a "project for residential rental property" as such phrase is utilized in Section 142(d) of the Code and as a "qualifying housing development" as defined in Section 159.603(6), Florida Statutes. To that end, the Borrower has represented, covenanted, and agreed as follows:

(a) The Project will be acquired and rehabilitated for the purpose of providing multifamily rental housing, and the Borrower shall own, manage, and operate the Project as multifamily rental housing, all in accordance with Section 142(d) of the Code and Treasury Regulations Section 1.103-8(b), as the same may be amended from time to time.

(b) Each residential unit in the Development shall be contained in one or more buildings or structures located on the Land and shall be similarly designed, furnished and constructed (except as to number of bedrooms and bathrooms and accessibility features), each of which will contain separate and complete facilities for living, sleeping, eating, cooking and sanitation for an individual or a family, including a living area, a sleeping area, bathing and sanitation facilities and cooking facilities equipped with a cooking range or microwave oven, refrigerator and sink, all of which are separate and distinct from the other units.

(c) None of the units in the Development will at any time be (i) utilized on a transient basis,

(ii) used as a hotel, motel, dormitory, fraternity or sorority house, rooming house, nursing home, hospital, sanitarium, rest home, trailer court, or park, or (iii) rented for initial lease periods of less than six months. No part of the Development will, at any time, be owned or used by a cooperative housing corporation or converted to condominiums.

(d) All of the units will be rented or available for rent on a continuous basis to members of the general public (other than units for a resident manager or maintenance personnel), and the Borrower will not give preference to any particular class or group of persons in renting the units in the Development, except to the extent that units are required to be leased or rented to Lower-Income Persons. Lower-Income Persons who are residents of the Development will have equal access to and enjoyment of all common facilities of the Development at all times. The Borrower will not discriminate against children of any age when renting the units in the Development.

(e) The Land consists of a parcel of real property or parcels of real property that are contiguous except for the interposition of a road, street, stream, or similar property, and the Development comprises buildings, structures, and facilities that are geographically contiguous and functionally related. Any common facilities financed with proceeds of the Bonds (such as swimming pools, recreational facilities, parking areas, and other facilities which are reasonably required for the Development, for example, heating and cooling equipment, trash disposal equipment, or units for resident managers or maintenance or security personnel) are functionally related and subordinate to the Development and are commensurate with its size and intended use.

(f) The Borrower or an Affiliated Party of the Borrower shall not occupy any of the units in the Development; provided, however, that the employee of the Borrower or an Affiliated Party of the Borrower may occupy a unit in a building or structure in the Development that contains five or more units if such employee of the Borrower or an Affiliated Party of the Borrower is a resident manager or other necessary employee (e.g., maintenance and security personnel). No more than two units in the Development shall be occupied by resident managers or maintenance or security personnel.

(g) None of the proceeds of the Bonds (including investment earnings) may be used to provide a skybox or any other private luxury box, an airplane, or a store the principal business of which is the sale of alcoholic beverages for consumption off premises or a facility used primarily for gambling.

The requirements described under this caption shall remain in effect during the term of the Regulatory Agreement (as described under the caption "Term" below).

Lower-Income Persons

The Borrower has represented, warranted and covenanted as follows:

(a) At all times during the Qualified Project Period, not less than 100% of the Available Units in the Development, other than those units occupied by the Borrower or an Affiliated Party to the Borrower pursuant to paragraph (f) under the caption "Residential Rental Property" above, shall be occupied (or held available for occupancy) on a continuous basis by persons or families at the Applicable Income Limit who are Lower-Income Persons. This occupancy requirement is referred to as the "Lower-Income Requirement").

(b) For purposes of paragraph (a) above, a unit occupied by an individual or family who at the commencement of the occupancy of such unit is a Lower-Income Person shall be counted as occupied by a Lower-Income Person, as applicable, during such individual's or family's tenancy in such unit, even though such individual or family ceases to be a Lower-Income Person. However, a Lower-Income Person whose income as of the most recent Income Certification (as described in the Regulatory Agreement) exceeds 140% of the Applicable Income Limit shall not continue to be treated as a Lower-Income Person if after delivery of such Income Certification, but before the delivery of the next Income Certification, any unit in the building (within the meaning of Section 42 of the Code) is occupied by a new resident who is

not a Lower-Income Person. In addition, a unit that was occupied by a Lower-Income Person shall be counted as occupied by a Lower-Income Person until it is reoccupied other than for a temporary period of not more than 31 days, at which time the unit shall be considered to be occupied by a Lower-Income Person only if the individual or family then occupying the unit satisfies the definition of a Lower-Income Person.

Sale and Conversion of Development

The Borrower shall not sell, assign, convey, or transfer any material portion of the land, fixtures, or improvements constituting a part of the Development, or any material portion of the personal property constituting a portion of the Development during the term of the Regulatory Agreement, without (i) the prior written consent of the Issuer, which consent shall not be unreasonably withheld, and (ii) the Trustee and the Issuer having received an opinion of Bond Counsel to the effect that, in reliance upon such factual certificates as it deems appropriate and subject to such qualifications as may be generally acceptable in the industry, such sale, conveyance, transfer, or assignment will not result, under then-existing law, in interest on the Bonds, or any part thereof, becoming includable in the gross income of the holders thereof for federal income tax purposes. If a material portion of the Development financed with proceeds from the Mortgage Loan is sold during the term of the Regulatory Agreement and such material portion of such Development consisted of personal property or equipment, the proceeds from the sale thereof may be used by the Borrower to purchase property of similar function to be used in connection with the Development; otherwise, the proceeds from such sale shall be applied in accordance with the Mortgage. If such material portion of such Development consists of real property and improvements, the purchaser thereof must execute and deliver to the Borrower and the Trustee a document in form and substance reasonably satisfactory to the Issuer pursuant to which such purchaser shall agree to operate such property in compliance with the terms and conditions of the Regulatory Agreement.

The Borrower shall not sell or otherwise transfer the Development in whole, nor shall there be substituted a new general partner of the Borrower or a change in the controlling ownership interest in the general partner of the Borrower, or other merger, transfer, or consolidation of the Borrower, unless (1) the Borrower has received the prior written consent of the Issuer (which shall respond within a reasonable period of time and shall not unreasonably withhold such consent), (2) the Borrower shall not be in default under the Regulatory Agreement, (3) it is reasonably expected that continued operation of the Development will comply with the requirements of the Regulatory Agreement, (4) the subsequent purchaser or assignee shall execute any document reasonably requested by the Issuer with respect to assuming the obligations of the Borrower under the Regulatory Agreement, (5) the Issuer shall not have any reason to believe that the purchaser or assignee is incapable, financially or otherwise, of complying with or may be unwilling to comply with, the terms of all agreements binding on such purchaser or assignee relating to the Development, (6) the purchaser or assignee, or new general partner or entity acquiring a controlling interest in the general partner of the Borrower, shall have satisfied such other conditions as may be reasonably required by the Issuer under the circumstances, (7) the purchaser or assignee shall have first executed a document in recordable form addressed to the Issuer and the Trustee to the effect that such purchaser or assignee will comply with the terms and conditions of the Regulatory Agreement, the Mortgage, and the Financing Agreement, (8) the Trustee and the Issuer shall receive an opinion of counsel reasonably acceptable to the Issuer to the effect that the purchaser's or assignee's obligations under the Regulatory Agreement, the Mortgage, the Financing Agreement, the Mortgage Note and any other financing documents relating to the Bonds (collectively, the "Mortgage Loan Documents") are enforceable against such purchaser or assignee in accordance with their terms, and (9) the Trustee and the Issuer shall have received an opinion of Bond Counsel to the effect that, in reliance upon such factual certificates as it deems appropriate and subject to such qualifications as may be generally acceptable in the industry, such sale, transfer, disposition or assignment will not result, under then-existing law, in interest on the Bonds, or any part thereof, not being excludable from the gross income of the holders thereof for federal income tax purposes.

It is expressly stipulated and agreed that any sale, transfer, or other disposition of the Development in violation of the provisions described under this caption shall be ineffective to relieve the Borrower of its obligations under the Mortgage Loan Documents. In the event that the purchaser or assignee shall assume the obligations of the Borrower under the Mortgage Loan, the Financing Agreement, and the Regulatory Agreement, the Borrower shall be released from its obligations thereunder, other than its obligations under the Regulatory Agreement and the Financing Agreement arising prior to such date of assumption (unless such obligations are assumed by the purchaser or transferee).

Notwithstanding anything described under this caption to the contrary, the restrictions set forth above on the sale, transfer, or other disposition or encumbrance of the Development or any portion thereof shall not be applicable to any of the following: (i) leases of apartment units as contemplated by the Regulatory Agreement, (ii) grants of utility related easements and service or concession related leases or easements, including, without limitation, coin-operated laundry service leases and/or television cable easements on the Development, providing same are granted in connection with the operation of the Development as contemplated by the Regulatory Agreement, (iii) any sale or conveyance to a condemning governmental authority as a direct result of the condemnation or a governmental taking or a threat thereof, (iv) subject to the provisions of the Mortgage, the placing of a subordinate mortgage lien, assignment of leases and/or rents, or security interests on or pertaining to the Development which is made expressly subject and subordinate to the Regulatory Agreement and to the Mortgage, (v) the placing of a mortgage lien, assignment of rents, or security interests on or pertaining to the Development after the payment of all Bonds and the release of the Mortgage, (vi) subject to the provisions of the Mortgage, any transfer of partnership interests in the Borrower, other than with respect to a controlling interest in the general partner, or in the entities which are partners in the Borrower, other than with respect to a controlling interest in the general partner, or (vii) the removal or substitution of the general partner of the Borrower, for cause, in certain events as set forth in the Partnership Agreement, with a designee of the Investment Partner; provided, however, that such general partner shall be an affiliate of the Investment Partner and provided, further, that the Borrower retains ownership of the Development.

Term

The Regulatory Agreement shall remain in full force and effect until the expiration of the Qualified Project Period; provided, however, that the Regulatory Agreement shall automatically terminate in the event of involuntary noncompliance with the provisions of the Regulatory Agreement caused by fire or other casualty, seizure, requisition, foreclosure or transfer by deed in lieu of foreclosure, change in a federal law or an action of a federal agency that prevents the Issuer from enforcing the provisions of the Regulatory Agreement, or condemnation or a similar event (as determined by Bond Counsel), but only if within a reasonable period thereafter (a) the Bonds are retired in full or (b) the proceeds received as a result of such event are used to finance a development that complies with the provisions of the Regulatory Agreement and any other applicable requirements of the Code and the Regulations. In the case of foreclosure or transfer of title by deed in lieu of foreclosure or similar event (as determined by Bond Counsel), such termination will cease to be in effect if, at any time during the remainder of the Qualified Project Period following such event, the Borrower or an Affiliated Party to the Borrower, obtains an ownership interest in the Development for federal tax purposes.

Correction of Noncompliance

The failure of the Borrower to comply with any of the provisions of the Regulatory Agreement shall not be deemed a default thereunder unless such failure has not been corrected within a period of 60 days immediately following the date that the Borrower, or with respect to the requirements described under the captions “Residential Rental Property” or “Lower-Income Persons” above, any of the parties to the Regulatory Agreement, learned of such failure or should have learned of such failure by the exercise of reasonable diligence (which 60 day period will be extended if (a) such failure cannot reasonably be corrected within such 60 day period, (b) diligent action to correct such failure commences within such 60 day period, (c) such action is diligently pursued until such failure is corrected, and (d) with respect to a failure to comply with any of the requirements described under the captions “Residential Rental Property” or “Lower-Income Persons” above, the Borrower delivers to the Issuer and the Trustee an opinion of Bond Counsel to the effect that such longer cure period will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes). Not later than the Business Day next succeeding the day on which the Trustee or the Issuer Servicer learns of such failure, the Trustee or the Issuer Servicer shall attempt with reasonable diligence to notify the Borrower of such failure by telephonic communication. The Investment Partner shall have the right, but not the obligation, to cure any default. The Issuer Servicer shall give written notice to the Investment Partner of such default.

Remedies; Enforceability

(a) The benefits of the Regulatory Agreement shall inure to, and may be enforced by, respectively, (i) the Issuer and the Trustee, (ii) the holders of the Bonds and their successors and assigns to the extent permitted by

the Indenture, and (iii) solely as to certain provisions of the Regulatory Agreement, the Lower-Income Persons and their successors who shall reside or be eligible to reside in units set aside for their occupancy pursuant to the provisions described under the caption “Lower-Income Persons” above for the period set forth under the caption “Term” above, whether or not the Mortgage Loan may be paid in full, and whether or not the Bonds are Outstanding. If a material violation of any of the provisions of the Regulatory Agreement occurs and is not cured within the period provided under the caption “Correction of Noncompliance” above, any or all of such parties may institute and prosecute any proceeding at law or in equity to abate, prevent or enjoin any such violation or attempted violation, or to compel specific performance under the Regulatory Agreement, it being recognized that the beneficiaries of the Borrower's obligations thereunder cannot be adequately compensated by monetary damages in the event of the Borrower's default. Other than the right of the Issuer to terminate the property manager and appoint a new property manager (as provided in paragraph (b) below), the remedies of the beneficiaries of the Regulatory Agreement shall be limited to those described in the preceding sentence.

(b) In addition to such other remedies as may be provided for in the Regulatory Agreement, if a violation of any of the provisions of the Regulatory Agreement occurs which is not corrected during the period provided under the caption “Correction of Noncompliance” above, the Issuer (and only the Issuer) shall have the right (but not the obligation), and is specifically authorized by the Borrower, to terminate the property manager and subject to the approval of the Investment Partner during the 15-year tax credit compliance period, appoint a new property manager of the Development to operate the Development in accordance with the Regulatory Agreement and the Financing Agreement and take all actions necessary, in the reasonable judgment of the Issuer, to cure any default by the Borrower under the Regulatory Agreement, and such new property manager assuming such management thereunder shall be paid by or on behalf of the Borrower, from the rents, revenues, profits and income from the Development, a management fee not to exceed the prevailing management fee paid to managers of similar housing projects in the area of the County. Subject to the provisions described under the caption “Term” above, the provisions described under this caption are imposed upon and made applicable to the Land and shall run with the Land and shall be enforceable against the Borrower or any other person or entity that has or had an ownership interest in the Development at the time of such violation or attempted violation. No delay in enforcing the provisions of the Regulatory Agreement as to any breach or violation shall impair, damage or waive the right of any party entitled to enforce the provisions thereof or to obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation of the Regulatory Agreement at any later time or times. All rights and remedies provided in the Regulatory Agreement are cumulative, non-exclusive, and in addition to any and all rights and remedies that the parties and beneficiaries thereof may otherwise have.

The Borrower agrees that the appointment of a new property manager may be necessary to serve the public purpose for which the Bonds were issued and to preserve the exclusion from gross income for federal income tax purposes of interest on the Bonds following a violation of the provisions of the Regulatory Agreement which is not cured within the period provided under the caption “Correction of Noncompliance” above. The Borrower expressly consents to, and agrees not to contest, the appointment of a new property manager to operate the Development following a violation by the Borrower of the provisions of the Regulatory Agreement which is not cured as provided under the caption “Correction of Noncompliance” above and thereby waives any and all defenses and objections that might otherwise be raised to any such appointment of a new property manager in accordance with the terms of the Regulatory Agreement. The Borrower further agrees that the Issuer shall have the right to require the Borrower to remove any manager or managing agent whose actions or inactions present a material risk of a breach of the agreements of the Borrower in the Regulatory Agreement, including, without limitation, a material risk of an adverse impact on the excludability from gross income for federal income tax purposes of interest on the Bonds and which action or inaction is not being corrected as provided for under the caption “Correction of Noncompliance” above, upon such manager or managing agent being given 30 days' written notice of any violation of the Regulatory Agreement, and such right shall be expressly acknowledged in any contract between the Borrower and any such manager or managing agent. The Borrower covenants and agrees to diligently and in good faith pursue the appointment and, if required, approval of such a replacement manager or managing agent.

Fannie Mae Rider

The Fannie Mae Rider (the “Rider”) attached to the Regulatory Agreement forms an integral part of the Regulatory Agreement and the terms thereof have been incorporated into the Regulatory Agreement.

1. **Definitions.** All capitalized terms used in the Rider have the meanings given to those terms in the Regulatory Agreement or the Indenture, as applicable.

2. **Applicability.** The Rider shall amend and supplement the Regulatory Agreement. In the event any provision of the Rider conflicts with the Regulatory Agreement, the Rider shall supersede the conflicting provision of the Regulatory Agreement. The Rider shall apply in spite of the fact that the covenants, reservations and restrictions of the Regulatory Agreement run with the land and may be deemed applicable to any successor in interest to the Borrower.

3. **Obligations not Secured by the Mortgaged Property.** The Regulatory Agreement shall not constitute a mortgage, equitable mortgage, deed of trust, deed to secure debt or other lien or security interest in the Mortgaged Property. None of the obligations of the Borrower or any subsequent owner of the Mortgaged Property under the Regulatory Agreement shall be secured by a lien on, or security interest in, the Mortgaged Property. All such obligations are expressly intended to be and shall remain unsecured obligations. The occurrence of an event of default under the Regulatory Agreement shall not impair, defeat or render invalid the lien of the Security Instrument.

4. **Subordination.** The terms, covenants and restrictions of the Regulatory Agreement, other than those set forth in Sections 2, 3, 4, 11, and 15 and the Rider, are and shall at all times remain subject and subordinate, in all respects, to the liens, rights and interests created under the Mortgage Loan Documents. Upon a conveyance or other transfer of title to the Mortgaged Property by foreclosure, deed in lieu of foreclosure or comparable conversion of the Mortgage Loan, the Person who acquires title to the Mortgaged Property pursuant to such foreclosure, deed in lieu of foreclosure or comparable conversion of the Mortgage Loan (unless such Person is the Borrower or a Person related to the Borrower within the meaning of Section 1.103-10(e) of the Regulations, in which event the Regulatory Agreement shall remain in full force and effect in its entirety) shall acquire such title free and clear of the terms, covenants and restrictions of the Regulatory Agreement, other than those set forth in Sections 2, 3, 4, 11, and 15 and the Rider and, from and after the date on which such Person acquires title to the Mortgaged Property, the terms, covenants and restrictions of the Regulatory Agreement, other than those set forth in Sections 2, 3, 4, 11, and 15 and the Rider, shall automatically terminate and be of no force and effect; provided that Sections 2, 3, 4, 11, and 15 and the Rider shall also terminate and be of no force or effect under the circumstances set forth in Section 13 of the Regulatory Agreement.

5. **Obligations Personal.** The Issuer agrees that no owner of the Mortgaged Property (including Fannie Mae) subsequent to the Borrower will be liable for, assume or take title to the Mortgaged Property subject to:

(a) any failure of any prior owner of the Mortgaged Property to perform or observe any representation or warranty, affirmative or negative covenant or other agreement or undertaking under the Regulatory Agreement; and

(b) the payment of any compensation or any accrued unpaid fees, costs, expenses or penalties otherwise owed by any prior owner of the Mortgaged Property under the Regulatory Agreement.

The Borrower and each subsequent owner of the Mortgaged Property shall be responsible under the Regulatory Agreement for its own acts and omissions occurring during the period of its ownership of the Mortgaged Property. All such liability and obligations shall be and remain personal to such person even after such person ceases to be the owner of the Mortgaged Property.

6. **Sale or Transfer; or Incurrence of Additional Indebtedness**

(a) **Restrictions Not Applicable to Certain Transfers.** All provisions of the Regulatory Agreement regarding the sale or transfer of the Mortgaged Property or of any interest in the Borrower, including any requirement, limitation or condition precedent for any of (i) the consent of the Issuer or the Trustee to such transfer, (ii) an agreement by any transferee to abide by the requirements and restrictions of the Regulatory Agreement, (iii) transferee criteria or other similar requirements, (iv) an opinion of legal counsel and (v) the payment of any assumption fee, transfer fee, penalty or other charges, shall not apply to any of the following:

(1) any transfer of title to the Mortgaged Property to Fannie Mae or to a third party by foreclosure, deed in lieu of foreclosure or comparable conversion of any lien on the Mortgaged Property or to any subsequent transfer by Fannie Mae (or a third party) following such foreclosure, deed in lieu of foreclosure or comparable conversion;

(2) any execution and delivery of a mortgage, deed of trust, deed to secure debt or other lien by the Borrower to secure any additional indebtedness of the Borrower which is originated by a lender for sale to Fannie Mae or guaranteed or otherwise credit enhanced by Fannie Mae; and

(3) provided that no Bonds are then Outstanding or all Bonds are to be simultaneously fully paid, redeemed or defeased, any execution and delivery of a mortgage, deed of trust, deed to secure debt or other lien by the Borrower to secure any indebtedness incurred by the Borrower which effectively refinances the Mortgage Loan.

(b) **Incurrence of Additional Indebtedness.** All the provisions of the Regulatory Agreement relating to the incurrence of additional indebtedness, including but not limited to any requirement, limitation or condition precedent for the consent of the Issuer to such incurrence of additional indebtedness, will not apply to any "Supplemental Loan" or similar loan, originated by a Fannie Mae DUS lender and sold and/or assigned to Fannie Mae, which is secured by the Property and subordinate in priority of lien to the Mortgage Loan.

(c) **Fannie Mae Rights to Consent Not Impaired.** Nothing contained in the Regulatory Agreement shall affect any provision of the Security Instrument or any other Mortgage Loan Document which requires the Borrower to obtain the consent of Fannie Mae as a precondition to sale, transfer or other disposition of, or any direct or indirect interest in, the Mortgaged Property or of any direct or indirect interest in the Borrower, excluding transfers permitted by the Security Instrument.

(d) **Conclusive Evidence.** Any written consent to a sale or transfer obtained from the Issuer shall constitute conclusive evidence that the sale or transfer is not a violation of the transfer provisions of the Regulatory Agreement.

7. **Damage, Destruction or Condemnation of the Mortgaged Property.** In the event that the Mortgaged Property is damaged or destroyed or title to the property, or any part thereof, is taken through the exercise or the threat of the exercise of the power of eminent domain, the Borrower shall comply with all applicable requirements of the Security Instrument and the other Mortgage Loan Documents.

8. **Regulatory Agreement Default.** Notwithstanding anything contained in the Regulatory Agreement to the contrary:

(a) The occurrence of an event of default under the Regulatory Agreement shall not impair, defeat or render invalid the lien of the Security Instrument.

(b) The occurrence of an event of default under the Regulatory Agreement shall not be or be deemed to be a default under the Mortgage Loan Documents, except as may be otherwise specified in the Mortgage Loan Documents.

9. **Amendments.** The Issuer shall not consent to any amendment, supplement to, or restatement of the Regulatory Agreement without the prior written consent of Fannie Mae.

10. **Termination.** The Regulatory Agreement may be terminated upon agreement by the Issuer, the Trustee, and the Borrower upon receipt of an opinion of a nationally recognized bond counsel acceptable to the Trustee that such termination will not adversely affect the exclusion of the interest on the Bonds from gross income for federal income purposes. So long as the Bonds have been redeemed or are redeemed within a reasonable period thereafter, the Regulatory Agreement shall terminate and be of no further force or effect from and after the date of any transfer of title to the Mortgaged Property by foreclosure, deed in lieu of foreclosure or comparable conversion of any lien on the Mortgaged Property; provided, however, that the preceding provisions of this sentence shall cease to apply and the restrictions contained in the Regulatory Agreement shall be reinstated if, at any time subsequent to the

termination of such provisions as the result of the foreclosure or the delivery of a deed in lieu of foreclosure or a similar event, the Borrower or any related person (within the meaning of Section 1.103-10(e) of the Regulations) obtains an ownership interest in the Mortgaged Property for federal income tax purposes.

11. **Third-Party Beneficiary.** The parties to the Regulatory Agreement recognize and agree that the terms of the Regulatory Agreement and the enforcement of those terms are essential to the security of Fannie Mae and are entered into for the benefit of various parties, including Fannie Mae. Fannie Mae shall accordingly have contractual rights in the Regulatory Agreement and shall be entitled (but not obligated) to enforce, separately or jointly with the Issuer and/or the Trustee, or to cause the Issuer or the Trustee to enforce, the terms of the Regulatory Agreement. In addition, the Borrower and the Issuer intend that Fannie Mae be a third-party beneficiary of the Regulatory Agreement.

12. **Copies of Notices under the Regulatory Agreement.** Copies of all notices under the Regulatory Agreement shall be sent to the Loan Servicer at the address set forth below or to such other address as the Loan Servicer may from time to time designate:

CBRE Multifamily Capital, Inc.
1861 International Drive, Suite 300
McLean, Virginia 22102
Attention: Servicing

RE: Housing Finance Authority of Leon County, Florida Pass-Through Bonds;
Magnolia Terrace; CBRE Multifamily Capital, Inc.

13. **Notices.** Any notice to be given to Fannie Mae shall be sent to Fannie Mae at the address set forth below or to such other address as Fannie Mae may from time to time designate:

Fannie Mae
1100 15th Street, NW
Drawer AM
Washington, DC 20005
Attention: Director, Multifamily Asset Management
Telephone: (301) 204-8008
Facsimile: (301) 280-2065

RE: Housing Finance Authority of Leon County, Florida Pass-Through Bonds;
Magnolia Terrace; CBRE Multifamily Capital, Inc.

with a copy to:

Fannie Mae
1100 15th Street, NW
Drawer AM
Washington, DC 20005
Attention: Vice President, Multifamily Operations
Telephone: (301) 204-8422
Facsimile: (202) 752-8369

RE: Housing Finance Authority of Leon County, Florida Pass-Through Bonds;
Magnolia Terrace; CBRE Multifamily Capital, Inc.

APPENDIX E

PROPOSED FORM OF OPINION OF BOND COUNSEL

February __, 2020

Housing Finance Authority of Leon County, Florida
Tallahassee, Florida

\$11,880,000*
Housing Finance Authority of Leon County, Florida
Multifamily Housing Revenue Bonds
(Pass-Through – Magnolia Terrace),
Series 2020

Ladies and Gentlemen:

We have acted as Bond Counsel to the Housing Finance Authority of Leon County, Florida (the "Issuer") in connection with the issuance and delivery by the Issuer of its \$11,880,000 principal amount of the Housing Finance Authority of Leon County, Florida Multifamily Housing Revenue Bonds (Pass-Through – Magnolia Terrace), Series 2020 (the "Bonds"). The Issuer is a public body corporate and politic, established pursuant to Chapter 159, Part IV, Florida Statutes, as amended; Chapter 2, Article III, Division 3, Sections 2-71 et seq., Leon County Code of Laws, as amended (collectively, the "Act"). The proceeds of the Bonds are being used to fund a loan by the Issuer to LIH Magnolia Terrace, LP, a Florida limited partnership (the "Borrower"), to finance a portion of the cost of the acquisition, rehabilitation and equipping of a multifamily rental housing project (the "Project") to be occupied by "persons or families of low, moderate, or middle income," within the meaning of the Act, [and pay costs of issuance of the Bonds].

In connection with the delivery of this opinion, we have examined the following: (a) the Act; (b) an executed copy of the Indenture of Trust, by and between the Issuer and The Bank of New York Mellon, Trust Company, N.A., Jacksonville, Florida, as trustee (in such capacity, the "Trustee"), dated as of February 1, 2020 (the "Indenture"); (c) an executed copy of the Financing Agreement, by and among the Issuer, the Trustee, CBRE Multifamily Capital, Inc. (the "Lender") and the Borrower, dated as of February 1, 2020 (the "Financing Agreement"); and (d) an executed copy of the Land Use Restriction Agreement, dated as of February 1, 2020, by and among the Issuer, the Borrower, and the Trustee (the "Regulatory Agreement"). In addition, we have examined and relied upon such other agreements, documents, and opinions, including certificates and representations of public officials, officers, and representatives of the Borrower, and various other parties participating in this transaction, as we have deemed relevant and necessary in connection with the opinions set forth below. All terms used herein in capitalized form and not otherwise defined herein shall have the same meanings as ascribed to them under the Indenture and the Financing Agreement.

The Bonds are limited obligations of the Issuer payable, as to principal, premium (if any), and interest, solely from the Trust Estate under the Indenture. The Issuer has no taxing power. The Bonds shall not constitute an obligation, either general or special, of Leon County, Florida (the "County"), the State of Florida (the "State"), or of any local government thereof; and neither, the County, the State, nor any local government thereof shall be liable thereon. Neither the faith, revenues, credit, nor taxing power of the County, the State, or any local government thereof shall be pledged to the payment of the principal of, premium (if any), or interest on the Bonds.

As to questions of fact material to our opinion, we have examined and relied upon representations of the Issuer, the Borrower, the Trustee, and the other parties contained in the certified proceedings related to the issuance of the Bonds, and other certifications of public officials and others persons furnished to us, without undertaking to verify the same by independent investigation. We have not undertaken an independent audit, examination, investigation, or inspection of such matters and have relied solely on the facts, estimates, and circumstances described in such proceedings and certifications. In our examination of the foregoing, we have assumed the

* Preliminary; subject to change.

genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals, and the conformity to originals of documents submitted as copies.

In rendering this opinion, we have examined and relied upon the opinion of even date herewith of Nabors, Giblin & Nickerson, P.A., serving as counsel for the Issuer, as to the due creation and valid existence of the Issuer, the due adoption of the resolution adopted by the Issuer on February 13, 2020 (the "Resolution"), authorizing the issuance of the Bonds, the due authorization, execution, and delivery of the Bonds, and the compliance by the Issuer with all conditions precedent to the issuance of the Bonds required under applicable local laws, rules, and regulations.

The opinions set forth below are expressly limited to, and we opine only with respect to, the laws of the State and federal income tax laws of the United States of America.

Based on our examination and the foregoing, we are of the opinion, as of the date hereof, that:

(1) Pursuant to the Act, the Issuer is empowered to enter into and perform its obligations under the Indenture and to issue the Bonds for the purpose of financing the Project.

(2) The Indenture has been duly authorized and executed by the Issuer and, assuming due authorization and execution thereof by the Trustee, is valid and binding upon the Issuer, and is enforceable in accordance with its terms, and the Bonds are entitled to the benefits and security of the Indenture for the payment thereof in accordance with the terms of the Indenture.

(3) The Financing Agreement and the Regulatory Agreement have been duly authorized and executed by the Issuer and, assuming due authorization and execution thereof by the other parties thereto, are valid and binding upon the Issuer, and are enforceable in accordance with their terms.

(4) The Bonds have been duly authorized, executed and issued by the Issuer in accordance with the laws of the State, including the Act, and represent the valid and binding limited obligations of the Issuer, enforceable in accordance with their terms and the terms of the Indenture.

(5) The Internal Revenue Code of 1986, as amended (the "Code"), contains certain requirements which must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excludable from gross income for purposes of federal income taxation. Failure to comply with such requirements may cause the interest on the Bonds to become included in gross income retroactive to the date of issue of the Bonds. The Issuer has covenanted in the Indenture and the Borrower has covenanted in the Financing Agreement and the Regulatory Agreement, to take, or refrain from taking, such actions as are required under the Code to maintain the exclusion from gross income of the interest on the Bonds. Assuming continuing compliance by the Issuer and the Borrower with the above described covenants, under existing statutes, regulations, rulings, and judicial decisions, interest on the Bonds is excludable from gross income for federal income tax purposes of the owners of the Bonds, except that such exclusion shall not apply to interest on the Bonds for any period during which the Bonds are held by a person who is a "substantial user" of the Project or a "related person" within the meaning of Section 147(a) of the Code. Additionally, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax. Other provisions of the Code may give rise to adverse federal income tax consequences to particular owners of the Bonds. We express no opinion regarding other federal tax consequences caused by ownership of, or the receipt or accrual of interest on, or disposition of the Bonds.

In rendering the opinion in paragraph (5) above with respect to the Bonds, we have assumed continuous compliance with certain procedures designed to meet the requirements of Section 142(d) of the Code and the regulations thereunder or applicable thereto, including the requirements that for a period of time specified in Section 142(d) of the Code and the regulations thereunder (i) at least forty percent (40%) of the occupied rental units in a project must be initially occupied, and thereafter occupied or held available for occupancy on a continuous basis, by "individuals whose income is sixty percent (60%) or less of area median gross income," within the meaning of the Code, and (ii) all of the units in a project must be available for rental on a continuous basis.

All opinions as to the enforceability of the legal obligations of the Issuer set forth herein are subject to and limited by (i) bankruptcy, insolvency, reorganization, moratorium, or similar laws, in each case relating to or affecting the enforcement of creditors' rights, and (ii) applicable laws or equitable principles that may affect remedies or injunctive or other equitable relief.

The scope of our engagement in relation to the issuance of the Bonds has been limited solely to the examination of facts and law incident to rendering the opinions expressed herein, and our services as bond counsel to the Issuer have been limited to delivering the foregoing opinions based on our review of such proceedings and documents as we deem necessary to approve the validity of the Bonds and the tax-exempt status of the interest on the Bonds. We express no opinion as to the financial resources of the Borrower, its ability to provide for payment of the Bonds or the accuracy or completeness of any information that may have been relied upon by anyone in making the decision to purchase Bonds.

This opinion letter should not be construed as offering material, an offering circular, prospectus, or official statement and is not intended in any way to be a disclosure statement used in connection with the sale or delivery of the Bonds. We have not been engaged nor have we undertaken to review or verify and therefore express no opinion herein as to the accuracy, adequacy, fairness, or completeness of any official statement related to the Bonds or any other offering material related to the Bonds. Furthermore, we are not passing on the accuracy or sufficiency of any CUSIP numbers appearing on the Bonds. In addition, other than as expressly set forth herein, we have not passed upon and therefore express no opinion as to the compliance by the Issuer, the Borrower, or any other party involved in this financing with, or the necessity of such parties complying with, any federal securities laws or state "Blue Sky," legal investment or other securities statute, regulation or ruling with respect to the sale or distribution of the Bonds. No opinion is expressed as to the perfection or priority of the lien on the Trust Estate created by the Indenture. Further, we express no opinion regarding federal income or state tax consequences arising with respect to the Bonds other than as expressly set forth herein.

Our opinions expressed herein are predicated upon present laws, facts and circumstances, and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after the date hereof. The legal opinions set forth herein are intended for the information solely of the addressees hereof and solely for the purpose of the contemplated transactions described herein, and are not to be relied upon by any other person or entity or for any other purpose, or quoted as a whole or in part, or otherwise referred to, in any document, or to be filed with any government or other administrative agency or other person or entity for any other purpose without our prior written consent. The delivery of this letter to a non-client does not create an attorney-client relationship.

Respectfully submitted,

BRYANT MILLER OLIVE P.A.

APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Disclosure Agreement”) is dated as of February 1, 2020 and is executed and delivered by LIH Magnolia Terrace, LP, a Florida limited partnership (the “Borrower”), and The Bank of New York Mellon Trust Company, N.A. (the “Dissemination Agent”) in connection with the issuance of \$11,880,000* Multifamily Housing Revenue Bonds (Pass-Through – Magnolia Terrace), Series 2020 (the “Bonds”). The Bonds are being issued pursuant to an Indenture of Trust, dated as of February 1, 2020 (the “Indenture”), between the Housing Finance Authority of Leon County, Florida (the “Issuer”) and The Bank of New York Mellon Trust Company, N.A., as Trustee (the “Trustee”). The proceeds of the Bonds are being loaned by the Issuer to the Borrower pursuant to a Financing Agreement, dated as of February 1, 2020, among the Issuer, the Trustee, CBRE Multifamily Capital, Inc. (the “Lender”) and the Borrower (the “Financing Agreement”). For valuable consideration, the receipt of which is acknowledged, the Dissemination Agent and the Borrower covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Borrower and the Dissemination Agent for the benefit of the Bondholders (defined below) and the beneficial owners of the Bonds, and in order to assist the Participating Underwriters (defined below) in complying with the Rule (defined below). The Borrower and the Dissemination Agent acknowledge that the Issuer has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Disclosure Agreement, and has no liability to any person, including any Holder of the Bonds, with respect to any such reports, notices or disclosures.

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture and in the Financing Agreement, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section or in the first paragraph of this Disclosure Agreement, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Borrower pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Bondholder” or the term “Holder”, when used with reference to a Bond or Bonds, shall mean any person who shall be the registered owner of any Bond and any beneficial owner thereof.

“Disclosure Representative” shall mean any person designated by the Borrower or his or her designee, in writing to the Dissemination Agent from time to time.

“Dissemination Agent” shall mean the initial Dissemination Agent hereunder, which is The Bank of New York Mellon Trust Company, N.A., or any successor Dissemination Agent designated in writing by the Borrower and acceptable to the Issuer and which has filed with the Borrower a written acceptance of such designation.

“EMMA” shall mean the Electronic Municipal Market Access system maintained by the MSRB for purposes of the Rule.

“Financial Obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of a debt obligation or derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; provided, however, the term “financial obligation” excludes municipal securities for which a final official statement has been provided to the MSRB consistent with the Rule.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Disclosure Agreement.

* Preliminary; subject to change.

“Participating Underwriters” shall mean any or all of the original broker, dealer or municipal securities dealer acting as underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“Tax-exempt” shall mean that interest on the Bonds is excluded from gross income for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating any other tax liability, including any alternative minimum tax or environmental tax.

SECTION 3. Provision of Annual Reports.

(a) The Borrower shall, or shall cause the Dissemination Agent to, not later than 180 days after the end of each fiscal year of the Borrower, commencing with the Borrower’s fiscal year ending December 31, 2020, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. On or prior to said date (except that in the event the Borrower elects to have the Dissemination Agent file such report, five (5) Business Days prior to such date) such Annual Report shall be provided by the Borrower to the Dissemination Agent together with either (i) a letter authorizing the Dissemination Agent to file the Annual Report with the MSRB, or (ii) a certificate stating that the Borrower has provided the Annual Report to the MSRB and the date on which such Annual Report was provided. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Borrower may be submitted separately from the balance of the Annual Report; and provided further that if the Borrower’s audited financial statements are not available by the deadline for filing the Annual Report, they shall be submitted as soon as practicable after they become available and unaudited financial statements shall be included in the Annual Report. The Borrower shall promptly notify the Dissemination Agent of any change in the Borrower’s fiscal year. Unless otherwise provided by law, any continuing disclosure information filed pursuant to this Disclosure Agreement shall be provided to the MSRB in an electronic format as shall be prescribed by MSRB Rule G-32, and shall be accompanied by such identifying information as shall be prescribed by MSRB Rule G-32. As of the date hereof, EMMA is the electronic format prescribed by the MSRB.

(b) If by 15 days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Borrower to request a report regarding compliance with the provisions governing the Annual Report.

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent shall send a reminder notice to the Borrower and the Issuer and shall send a notice to the MSRB in substantially the form attached as Exhibit A hereto.

(d) The Dissemination Agent shall file a report with the Borrower, the Issuer and the Trustee (if the Dissemination Agent is not the Trustee) certifying that the Borrower has filed a report (directly or through the Dissemination Agent) purporting to be an Annual Report pursuant to this Disclosure Agreement, and stating the date it was provided (if such report was provided).

SECTION 4. Content of Annual Reports.

(a) The Borrower’s Annual Report shall contain its audited financial statements for the prior fiscal year, prepared in accordance with generally accepted accounting principles.

(b) Any or all of the items listed above may be incorporated by reference from other documents, including financial statements provided under (a) above, the original Official Statement for the Bonds, or other official statements of debt issues with respect to which the Borrower is an “obligated person” (as defined by the Rule), which have been (i) made available to the public on the MSRB’s Electronic Municipal Markets Access (EMMA) System, the current internet web address of which is www.emma.msrb.org, or (ii) filed with the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be

available from the MSRB. The Borrower shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Listed Events.

(a) The Borrower shall, or shall cause the Dissemination Agent to, give notice of the occurrence of any of the following Listed Events relating to the Bonds to the MSRB in a timely manner not later than ten (10) Business Days after the occurrence of any such Listed Event;

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to the rights of holders of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Borrower;

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Borrower in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Borrower, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Borrower;

(13) the consummation of a merger, consolidation, or acquisition involving the Borrower or the sale of all or substantially all of the assets of the Borrower, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) appointment of a successor or additional trustee or the change of the name of the trustee, if material;

(15) incurrence of a Financial Obligation of the Borrower, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Borrower, any of which affect security holders, if material; and

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Borrower, any of which reflect financial difficulties.

(b) The Dissemination Agent shall, promptly after obtaining actual knowledge of the occurrence or possible occurrence of any of the Listed Events set forth in subsection (a) above, contact the Disclosure Representative and inform such person of the event. "Actual knowledge" for purposes of this subsection (b) shall mean actual knowledge of an officer of the Corporate Trust Administration of the Dissemination Agent.

(c) Whenever the Borrower obtains knowledge of the occurrence of a Listed Event set forth in clauses (2), (7), (8) (relating to Bond calls only), (10), (13) or (14) of subsection (a) above, whether because of a notice from the Dissemination Agent pursuant to subsection (b) or otherwise, the Borrower shall as soon as possible determine if such event would constitute material information for Bondholders, and if such event is determined by the Borrower to be material, the Borrower shall, or shall cause the Dissemination Agent to, give notice of such event to the MSRB not later than ten (10) Business Days after the occurrence of such event.

(d) If the Borrower elects to have the Dissemination Agent file notice of any Listed Event, the Borrower will provide the notice to the Dissemination Agent within 5 Business Days after the occurrence of the Listed Event, along with an instruction to file the notice with the MSRB.

SECTION 6. Termination of Reporting Obligation. This Disclosure Agreement may be terminated by either party to this Disclosure Agreement upon thirty days' written notice of termination delivered to the other party to this Disclosure Agreement; provided the termination of this Disclosure Agreement is not effective until (i) the Borrower, or its successor, enters into a new continuing disclosure agreement with a dissemination agent who agrees to continue to provide, to the MSRB and the Holders of the Bonds, all information required to be communicated pursuant to the rules promulgated by the Securities and Exchange Commission or the MSRB, (ii) a nationally recognized bond counsel or counsel expert in federal securities laws provides an opinion that the new continuing disclosure agreement is in compliance with all applicable state and federal securities laws, and (iii) notice of the termination of this Disclosure Agreement is provided to the MSRB.

The Dissemination Agent shall be fully discharged at the time any such termination is effective. Notwithstanding the foregoing, this Disclosure Agreement shall terminate (i) automatically upon payment or provisions for payment of the Bonds or (ii) when all of the Bonds are or are deemed to be no longer outstanding by reason of redemption or legal defeasance or at final maturity.

SECTION 7. Dissemination Agent.

(a) The Borrower may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Trustee shall be the Dissemination Agent.

(b) The Dissemination Agent, or any successor thereof, may at any time resign and be discharged of its duties and obligations hereunder by giving not less than thirty (30) days written notice to the Issuer, the Borrower and the registered owners of the Bonds, specifying the date when such resignation shall take effect. Such resignation shall take effect upon the date a successor shall have been appointed by the Borrower or by a court upon the application of the Dissemination Agent.

(c) In case the Dissemination Agent, or any successor thereof, shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Dissemination Agent or of its property shall be appointed, or if any public officer shall take charge of control of the Dissemination Agent, or of its property or affairs, the Borrower shall forthwith appoint a Dissemination Agent to act. The Borrower shall give or cause to be given written notice of any such appointment to the Bondholders, the Trustee (if the Trustee is not the Dissemination Agent) and the Issuer.

(d) Any company into which the Dissemination Agent may be merged or with which it may be consolidated or any company resulting from any merger or consolidation to which it shall be a party or any company to which such Dissemination Agent may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Dissemination Agent, without any further act or deed.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Borrower and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall agree to any amendment not modifying or otherwise affecting its duties, obligations or liabilities in such a way as they are expanded or increased) and any provision of this Disclosure Agreement may be waived, if all of the following conditions are satisfied: (1) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the Borrower or the type of business conducted thereby, (2) this Disclosure Agreement as so amended would have complied with the requirements of the Rule as of the date of this Disclosure Agreement, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (3) the Borrower shall have delivered an opinion of counsel, addressed to the Issuer, the Borrower, the Dissemination Agent and the Trustee, to the same effect as set forth in clause (2) above, (4) either (i) the Borrower shall have delivered to the Issuer, the Trustee and the Dissemination Agent an opinion of counsel, or a determination by a person, in each case unaffiliated with the Borrower (such as bond counsel) and acceptable to the Borrower, to the effect that the amendment does not materially impair the interests of the Holders of the Bonds or (ii) the Holders of the Bonds consent to the amendment to this Disclosure Agreement pursuant to the same procedures as are required for amendments to the Indenture with consent of the Holders of the Bonds pursuant to the Indenture as in effect on the date of this Disclosure Agreement, and (5) the Borrower shall have delivered copies of such opinion(s) and amendment to the MSRB. The Dissemination Agent may rely and act upon such opinions.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Borrower from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of the occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Borrower chooses to include any information in any Annual Report or notice of the occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, the Borrower shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of the occurrence of a Listed Event. Nothing in this Disclosure Agreement shall be deemed to prevent the Dissemination Agent from providing a notice or disclosure as it may deem appropriate pursuant to any other capacity it may be acting in related to the Bonds.

SECTION 10. Default. In the event of a failure of the Borrower or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Dissemination Agent may (and, at the request of any of the Holders of at least 25% of the aggregate principal amount of Outstanding Bonds who have provided security and indemnity deemed acceptable to the Dissemination Agent, shall), or any party who can establish beneficial ownership of any of the Bonds, or any Bondholder may, after providing fifteen (15) days written notice to the Borrower to give the Borrower opportunity to comply within such fifteen-day period, take such actions as may be necessary and appropriate to compel performance, including seeking mandamus or specific performance by court order, in order to cause the Borrower to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture or under the Financing Agreement, and the sole remedy available to the Dissemination Agent, any beneficial owners of the Bonds or the Bondholders under this Disclosure Agreement in the event of any failure of the Borrower or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. To the extent that the Dissemination Agent is required under the terms of this Disclosure Agreement to report any information, it is only required to report information that it receives from the Borrower in the form in which it is received, and the Dissemination Agent shall be under no responsibility or duty with respect to the accuracy and content of the information which it receives from the Borrower. The Borrower agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees and expenses) of defending against any claim of liability, but

excluding liabilities due to the Dissemination Agent's negligence or misconduct. The obligations of the Borrower under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Unless otherwise provided by contract with the Dissemination Agent, the Borrower shall pay or cause to be paid to the Dissemination Agent after reasonable notice to the Borrower in light of the reimbursement sought to be received, reasonable reimbursement for its reasonable expenses, charges, counsel fees and expenses and other disbursements and those of its attorneys, agents, and employees, incurred in and about the performance of its powers and duties hereunder. The Borrower shall indemnify and save the Dissemination Agent harmless against any expenses and liabilities which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or default. None of the provisions contained in this Disclosure Agreement shall require the Dissemination Agent to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers. The obligations of the Borrower under this Section to compensate the Dissemination Agent, to pay or reimburse the Dissemination Agent for expenses, disbursements, charges and counsel fees and to indemnify and hold harmless the Dissemination Agent shall survive the termination of this Disclosure Agreement.

In no event shall the Dissemination Agent be liable for incidental, indirect, special, consequential or punitive damages (including, but not limited to, lost profits), even if the Dissemination Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

SECTION 12. Transmission of Notices, Documents and Information. Unless otherwise required by the MSRB, all notices, documents and information provided to the MSRB pursuant to this Disclosure Agreement shall be provided to the MSRB's Electronic Municipal Markets Access (EMMA) system, the current internet web address of which is www.emma.msrb.org.

All notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Borrower, the Trustee, the Dissemination Agent, the Participating Underwriters, parties who can establish beneficial ownership of the Bonds and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 15. Notices. The parties hereto may be given notices required hereunder at the addresses set forth for them in the Financing Agreement or the Indenture.

SECTION 16. Applicable Law. This Disclosure Agreement shall be governed by the laws of the State of Florida, and by applicable federal laws.

[Remainder of Page Intentionally Left Blank]

[SIGNATURE PAGE TO CONTINUING DISCLOSURE AGREEMENT]

BORROWER:

LIH MAGNOLIA TERRACE, LP,
a Florida limited partnership

By: LIH MAGNOLIA TERRACE GP, LLC,
a Florida limited liability company, its general
partner

By: _____
Name: Jacob Levy
Title: Manager

DISSEMINATION AGENT:

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

By: _____
Name:
Title:

EXHIBIT A

TO CONTINUING DISCLOSURE AGREEMENT

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Housing Finance Authority of Leon County, Florida (the “Issuer”).

Name of Bond Issue: \$11,880,000* Multifamily Housing Revenue Bonds (Pass-Through – Magnolia Terrace), Series 2020

Name of Borrower: LIH Magnolia Terrace, LP

Date of Issuance: _____, 2020

NOTICE IS HEREBY GIVEN that the Borrower has not yet provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement by and between LIH Magnolia Terrace, LP (the “Borrower”), and The Bank of New York Mellon Trust Company, N.A. (the “Dissemination Agent”), dated as of February 1, 2020. The Borrower has informed the Dissemination Agent that the Annual Report will be filed with the Dissemination Agent by _____.

Dated: _____

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.
as Dissemination Agent

By: _____
Name:
Title:

cc: Borrower
Issuer

* Preliminary; subject to change.

APPENDIX G

FANNIE MAE MORTGAGE-BACKED SECURITIES PROGRAM

This summary of the Fannie Mae Mortgage-Backed Securities Program, the Fannie Mae Certificates and the documents referred to herein has not been provided or approved by Fannie Mae, does not purport to be comprehensive and is qualified in its entirety by reference to the Fannie Mae MBS Prospectus (Multifamily Fixed-Rate Yield Maintenance) for Guaranteed Mortgage Pass-Through Certificates (the “Fannie Mae MBS Prospectus”) which will be available and can be found, if and when the Pass-Through Certificate is issued, by inputting the CUSIP shown in Appendix H hereto into Fannie Mae’s multifamily disclosure, DUS Disclose (<https://mfdusdisclose.fanniemae.com/#/home>). The template for the Fannie Mae MBS Prospectus can be found at <https://www.fanniemae.com/resources/file/mbs/pdf/fixed-rate-yield-maintenance-120119.pdf>. The template for the Fannie Mae MBS Prospectus may change from time to time. The Fannie Mae MBS Prospectus, if and when available, will consist of the template for the Fannie Mae MBS Prospectus applicable at the time of the issuance of the Pass-Through Certificate with the cover page completed with the Pass-Through Certificate specific information, an Additional Disclosure Addendum substantially in the form attached as APPENDIX I hereto, and an Annex A containing information substantially consistent with the Term Sheet attached hereto as APPENDIX H.

This summary highlights information contained in the Fannie Mae MBS Prospectus which will be available if and when the Pass-Through Certificate is issued. As a summary, it speaks in general terms without giving details or discussing any exceptions. Before buying the Pass-Through Certificates, an investor should have the information necessary to make a fully informed investment decision. For that, an investor must read the Fannie Mae MBS Prospectus in its entirety (and any documents to which Fannie Mae refers an investor in the Fannie Mae MBS Prospectus).

Pass-Through Certificate..... Guaranteed Mortgage MBS Certificates (Multifamily Residential Mortgage Loans).

Pass-Through Certificate Issuer and Guarantor..... Fannie Mae is a government-sponsored enterprise that was chartered by the U.S. Congress in 1938 under the name “Federal National Mortgage Association” to support liquidity and stability in the secondary mortgage market, where existing mortgage loans are purchased and sold. The address of its principal office is 1100 15th Street, NW, Washington, DC 20005; the telephone number is 800-2FANNIE (800-232-6643).

Fannie Mae has been under conservatorship since September 6, 2008. The conservator, the Federal Housing Finance Agency, succeeded to all rights, titles, powers and privileges of Fannie Mae and of any shareholder, officer or director of the company with respect to the company and its assets. For additional information on the conservatorship, see “**FANNIE MAE — Regulation and Conservatorship**” in the Fannie Mae MBS Prospectus.

Fannie Mae’s regulators include the Federal Housing Finance Agency, the U.S. Department of Housing and Urban Development, the Securities and Exchange Commission, and the U.S. Department of the Treasury. The Office of Federal Housing Enterprise Oversight, the predecessor of the Federal Housing Finance Agency, was Fannie Mae’s safety and soundness regulator prior to enactment of the Federal Housing Finance Regulatory Reform Act of 2008.

On September 7, 2008, Fannie Mae entered into a senior preferred stock purchase agreement with the U.S. Department of the Treasury pursuant to which Fannie Mae issued to it one million shares of senior preferred stock and a warrant to purchase, for a nominal price, shares of common stock equal to 79.9% of the outstanding common stock of Fannie Mae. **Nevertheless, Fannie Mae alone is responsible for making payments under its guaranty. The Pass-Through Certificate if issued by Fannie Mae and acquired by the Trustee and payments of principal and interest on the Pass-Through Certificate will not be guaranteed by the United States and**

do not constitute a debt or obligation of the United States or any of its agencies or instrumentalities other than Fannie Mae.

Sponsor and Depositor.....	Fannie Mae is the sponsor of the Pass-Through Certificate and the depositor of the Mortgage Loan into the trust.
Description of Pass-Through Certificate....	The Pass-Through Certificate if issued by Fannie Mae and acquired by the Trustee will represent a pro rata undivided beneficial ownership interest in the Mortgage Loan. Fannie Mae will issue the Pass-Through Certificate in book-entry form on the book-entry system of the U.S. Federal Reserve Banks. The book-entry Pass-Through Certificates will not be convertible into physical certificates.
Minimum Denomination.....	Fannie Mae will issue the Pass-Through Certificates in minimum denominations of \$1,000, with additional increments of \$1.
Issue Date.....	The date specified on the front cover page of the Fannie Mae MBS Prospectus, which is the first day of the month in which the Pass-Through Certificates are issued.
Settlement Date.....	The date specified on the front cover page of the Fannie Mae MBS Prospectus, which is a date no later than the last business day of the month in which the issue date occurs.
Distribution Date.....	The 25th day of each month is the date designated for payments to the Trustee as holder of the Pass-Through Certificate, if issued, as specified on the front cover page of the Fannie Mae MBS Prospectus. If that day is not a Business Day, payments will be made on the next Business Day. The first Distribution Date for the Pass-Through Certificate will occur in the month following the month in which the Pass-Through Certificate is issued. For example, if the issue date is March 1, the first distribution date is April 25 or, if April 25 is not a Business Day, the first Business Day following April 25.
Maturity Date.....	The date specified on the front cover page of the Fannie Mae MBS Prospectus, which is the date that the final payment is due on the Mortgage Loan.
Use of Proceeds.....	The Pass-Through Certificates are backed by the Mortgage Loan that Fannie Mae recently acquired or already owned. Fannie Mae is issuing the Pass-Through Certificates either in exchange for the recently acquired Mortgage Loan or for cash proceeds that are generally used for purchasing other mortgage loans or for general corporate purposes.
Interest.....	On each Distribution Date, Fannie Mae will pass through on the Pass-Through Certificate, if issued, one month's interest at the Pass-Through Rate specified on the front cover page of the Fannie Mae MBS Prospectus. Because Fannie Mae's guaranty requires it to supplement amounts received by the trust as required to permit timely payment of interest, the amount of interest distributed to certificateholders on a Distribution Date will not be affected by any loss mitigation measure taken with respect to, or other loan modification made to, the Mortgage Loan while it remains in the trust.
Principal.....	Fannie Mae will receive collections on the Mortgage Loan on a monthly basis. The period Fannie Mae uses to differentiate between collections in one month and collections in another month is called the due period. The due period is the period from and including the second calendar day of the preceding month to and including the first calendar day of the month in which

the Distribution Date occurs.

On each Distribution Date, Fannie Mae will pass through principal of the Pass-Through Certificate, if issued, as follows:

- the aggregate amount of the scheduled principal due on the Mortgage Loan in the pool during the related due period; and
- the aggregate amount of all unscheduled principal payments received as specified below:
 - the stated principal balance of the Mortgage Loan as to which prepayment in full was received during the calendar month immediately preceding the month in which that Distribution Date occurs;
 - the stated principal balance of the Mortgage Loan if it was purchased from the pool during the calendar month immediately preceding the month in which that Distribution Date occurs; and
 - the amount of any partial prepayments on the Mortgage Loan that were received during the calendar month immediately preceding the month in which that Distribution Date occurs.

Because Fannie Mae's guaranty requires it to supplement amounts received by the trust as required to permit timely payment of the principal amounts specified above, the amount of principal distributed to certificateholders on a Distribution Date will **not** be affected by any loss mitigation measure, taken with respect to, or other loan modification made to, the Mortgage Loan while it remains in the trust.

Fannie Mae may treat a prepayment in full received on the first Business Day of a month as if the prepayment were received on the last Business Day of the preceding month. If Fannie Mae does so, Fannie Mae passes through these prepayments on the Distribution Date in the same month in which the prepayment actually was received. For example, if a prepayment on the Mortgage Loan in full is actually received on the first Business Day of April, it would be treated as if it had been received on the last business day of March and, therefore, would be passed through on April 25 (or the next Business Day, if April 25 is not a Business Day).

The Mortgage Loan permits the reamortization of principal after an involuntary partial prepayment caused by the receipt of proceeds from insurance or condemnation. A reamortization of the Mortgage Loan will cause a change in the amount of principal that is passed through to holders of the Pass-Through Certificate.

Monthly Pool Factors.....

Fannie Mae publishes the monthly pool factor for each issuance of its certificates on or about the fourth Business Day of each month. If an investor multiplies the monthly pool factor by the original principal balance of the Pass-Through Certificate, the investor will obtain the current principal balance of the Pass-Through Certificate, after giving effect to the monthly principal payment to be passed through on the Distribution Date in that month. The most current pool factor is generally available on Fannie Mae's

website and can be accessed through DUS Disclose.

Guaranty..... Fannie Mae guarantees to the trust that on each Distribution Date it will supplement amounts received by the trust as required to permit payments on the related Pass-Through Certificate in an amount equal to:

- one month’s interest on the Pass-Through Certificates, as described in “—Interest” above; and
- the aggregate amounts of scheduled and unscheduled principal payments described in “—Principal” above.

In addition, Fannie Mae guarantees to the trust that it will supplement amounts received by the trust as required to make the full and final payment of the unpaid principal balance of the certificates on the Distribution Date in the month of the maturity date specified on the front cover page of the Fannie Mae MBS Prospectus.

Certificateholders have limited rights to bring proceedings against the U.S. Department of the Treasury if Fannie Mae fails to pay under its guaranty. The total amount that may be recovered from Treasury is subject to limits imposed in the senior preferred stock purchase agreement. For a description of certificateholders’ rights to proceed against Fannie Mae and the Treasury, see “**FANNIE MAE—Certificateholders’ Rights under the Senior Preferred Stock Purchase Agreement**” in the Fannie Mae MBS Prospectus.

Optional Prepayment Premium... A borrower may voluntarily prepay the Mortgage Loan in full. Except during the open period, the Mortgage Loan requires payment of a prepayment premium if the Mortgage Loan is prepaid voluntarily, as disclosed on Annex A. A portion of the prepayment premium, if any, collected by Fannie Mae may be shared with certificateholders under the circumstances described in “**YIELD, MATURITY AND PREPAYMENT CONSIDERATIONS—Maturity and Prepayment Considerations—Prepayment of a Mortgage Loan**” in the Fannie Mae MBS Prospectus. Fannie Mae does not guarantee to the trust the payment of any prepayment premiums.

Master Servicing/Servicing..... Fannie Mae is responsible as master servicer for certain duties. Fannie Mae has contracted with the mortgage servicer identified on Annex A to perform servicing functions for Fannie Mae subject to Fannie Mae’s supervision. Fannie Mae refers to this servicer or any successor servicer as Fannie Mae’s primary servicer. In certain limited circumstances, Fannie Mae may act as primary servicer. For a description of Fannie Mae’s duties as master servicer and the responsibilities of Fannie Mae’s primary servicer, see “**THE TRUST DOCUMENTS—Collections and Other Servicing Practices**” and “**FANNIE MAE PURCHASE PROGRAM—Servicing Arrangements**” in the Fannie Mae MBS Prospectus.

Business Day..... For the Pass-Through Certificate, if issued, any day other than a Saturday or Sunday, a day when the fiscal agent or paying agent is closed, a day when the Federal Reserve Bank of New York is closed or is authorized or obligated by law or executive order to remain closed, or, for purposes of withdrawals from a certificate account, a day when the Federal Reserve Bank is closed in the district where the certificate account is maintained if the related withdrawal is being made from that certificate account.

Trust Documents..... If issued, the Pass-Through Certificate will be issued pursuant to the 2017

Multifamily Master Trust Agreement effective as of December 1, 2017, as supplemented by a trust issue supplement for that issuance. Fannie Mae summarizes certain pertinent provisions of the trust agreement in the Fannie Mae MBS Prospectus. An investor should refer to the trust agreement and the related trust issue supplement for a complete description of an investor's rights and obligations as well as those of Fannie Mae in its various capacities. The trust agreement and the related trust issue supplement is available on Fannie Mae's website.

Trustee..... Fannie Mae serves as the trustee for the trust pursuant to the terms of the trust agreement and the related trust issue supplement.

Paying Agent..... An entity designated by Fannie Mae to perform the functions of a paying agent. The Federal Reserve Bank of New York currently serves as Fannie Mae's paying agent for the Pass-Through Certificate.

Fiscal Agent..... An entity designated by Fannie Mae to perform certain administrative functions for the trust. The Federal Reserve Bank of New York currently serves as Fannie Mae's fiscal agent for the Pass-Through Certificates.

Multifamily Mortgage Loan Pool... The Mortgage Loan is a fixed-rate loan included in one of the following categories:

- Fixed rate loans with monthly payments of interest only during their entire loan terms, with a balloon payment of all outstanding principal at maturity;
- Fixed-rate loans with monthly payments of interest only during specified initial periods, followed by monthly payments of principal and interest for their remaining loan terms, with a balloon payment of all outstanding principal at maturity;
- Fixed-rate loans with monthly payments of interest only during specified initial periods, followed by monthly payments of principal and interest that fully amortize over their remaining loan terms;
- Fixed-rate loans with monthly payments of principal and interest during their entire loan terms, with a balloon payment of all outstanding principal at maturity; and
- Fixed-rate loans that fully amortize over their loan terms.

Multifamily Mortgage Loans..... The Mortgage Loan was acquired from a multifamily mortgage loan seller that Fannie Mae has approved. The Mortgage Loan may have been originated by the seller or may have been acquired by the seller from the originator of the loan, which may or may not be an approved mortgage loan seller. Each mortgage loan that Fannie Mae acquires either meets Fannie Mae's published standards (except to the extent that Fannie Mae permits waivers from those standards) or is reviewed by Fannie Mae before delivery to determine its suitability. Fannie Mae may modify its standards from time to time.

Types of Property..... The Mortgage Loan is secured by a lien on one or more of the following types of property:

- Multifamily residential properties;
- Cooperative housing projects;
- Dedicated student housing;

- Manufactured housing communities;
- Military housing; or
- Seniors housing.

Annex A discloses the type of property securing the Mortgage Loan in the pool and the priority of its lien. Any type of property may also be considered affordable housing; Annex A discloses certain affordable housing characteristics.

Termination..... The trust will terminate when the certificate balance of the Pass-Through Certificates has been reduced to zero, and all required distributions have been passed through to certificateholders. Fannie Mae has no unilateral option to cause an early termination of the trust other than by purchasing the Mortgage Loan from the pool for a reason permitted by the trust documents.

Federal Income Tax Consequences. The mortgage pool will be classified as a fixed investment trust. Each beneficial owner of a Pass-Through Certificate will be treated as the owner of a pro rata undivided interest in the Mortgage Loan included in the pool. Accordingly, each owner will be required to include its pro rata share of the entire income from the Mortgage Loan in the pool, and generally will be entitled to deduct its pro rata share of the expenses of the trust, subject to the limitations described in the Fannie Mae MBS Prospectus. See “MATERIAL FEDERAL INCOME TAX CONSEQUENCES—Application of Revenue Ruling 84-10—Expenses of the Trust.”

Legal Investment Considerations... Under the Secondary Mortgage Market Enhancement Act of 1984, the Pass-Through Certificates offered by the Fannie Mae MBS Prospectus will be considered “securities issued or guaranteed by . . . the Federal National Mortgage Association.” Nevertheless, an investor should consult its own legal advisor to determine whether and to what extent the certificates of an issuance constitute legal investments for such investor.

ERISA Considerations..... For the reasons discussed in “**ERISA CONSIDERATIONS**” in the Fannie Mae MBS Prospectus, an investment in the Pass-Through Certificates by a plan subject to the Employee Retirement Income Security Act (“ERISA”) will not cause the assets of the plan to include the Mortgage Loan underlying the Pass-Through Certificate or the assets of Fannie Mae under the fiduciary provisions of ERISA or the prohibited transaction provisions of ERISA or section 4975 of the Internal Revenue Code of 1986, as amended (the “Code”).

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APPENDIX H

TERM SHEET

Information provided by Lender for Preliminary Official Statement

Represents an excerpt of the term sheet schedules to the Annex A, edited for purposes of the Preliminary Official Statement

Information Contained Herein is Preliminary and Subject to Change

Information Contained Herein is Preliminary and Subject to Change	
Pool Statistics	
Issuance UPB (\$) (anticipated)	\$11,880,000
Maximum Issuance Principal Balance	\$11,880,000
Security Maturity Date	03/01/2037
Term to Maturity (months)	204
Weighted Average Remaining Term to Maturity (months)	204
Amortization Term (months)	420
Security Funds Transfer Type	Wire
Security Type	MBS
Transaction ID Pool Number	[_____]
CUSIP	[_____]
Settlement Date (anticipated)	[_]/[_]/2020
Pool Issue Date (anticipated)	[_]/01/2020
MBS First Payment Date (anticipated)	04/27/2020
Number of Loans	1

Loan Information	
Seller Name	CBRE Multifamily Capital, Inc.
Servicer Name	CBRE Multifamily Capital, Inc.
First Loan Payment Date	04/01/2020 Estimated
Note Date	02/___/2020
Loan Maturity Date	03/01/2037
Original UPB (\$)	\$11,880,000
Loan Issuance UPB / Unit (\$)	\$110,000
Pass-Through Rate to Investor	___%
Note Rate	___%
Original Loan Term (months)	204
Remaining Loan Term (months)	204
Original Amortization Term (Months)	420
Amortization Type	Amortizing Balloon
Interest Only Term (Months)	0
Interest Only End Date	N/A
Interest Type	Fixed
Interest Accrual Method	Act/360
Prepayment Lockout Term (months)	N/A
Yield Maintenance Premium Period, Years 1-16.5 (anticipated)	Yield maintenance from the Closing Date through August 31, 2036 (198 months). ¹ Thereafter, a 1% prepayment penalty shall apply through November 30, 2036 (3 months). ² Thereafter, no prepayment premium shall apply.
Prepayment Premium End Date	08/31/2036 (YM); 11/30/2036 (1%)
Lien Priority	First Lien
Loan Purpose	Acquisition & Moderate Rehabilitation
Ownership Interest	Fee Simple
Balloon Maturity (Y/N)	Y

¹ A portion of this prepayment premium, if collected, may be shared with certificateholders under the circumstances described in “YIELD, MATURITY AND PREPAYMENT CONSIDERATIONS—Maturity and Prepayment Considerations—Prepayment of a Mortgage Loan” in the Fannie Mae MBS Prospectus.

² No portion of this prepayment premium, if collected, will be shared with certificateholders under any circumstances as is described in “YIELD, MATURITY AND PREPAYMENT CONSIDERATIONS—Maturity and Prepayment Considerations—Prepayment of a Mortgage Loan” in the Fannie Mae MBS Prospectus.

Additional Debt (Y/N) (anticipated)	N
Cross Collateralized (Y/N)	N
Cross Defaulted (Y/N)	N
Tax Escrow (Y/N)	Y
Pricing Tier	2
Tier Drop Eligible	Y
Good Faith Deposit (anticipated)	2.00%
MBS Disclosure	Yes, see comments below [†]
Modified Loss Share	N
Physical Occupancy (anticipated)	3.70%
Physical Occupancy As-Of-Date (anticipated)	1/28/2020
Underwritten Economic Occupancy (anticipated)	4.00%
Underwritten Total Income (anticipated)	\$1,354,252
Underwritten Total Operating Expense (anticipated)	\$646,081 (includes replacement reserves)
Underwritten Annual Replacement Reserves (anticipated)	\$32,400
UW NCF (anticipated)	\$708,171
Property Value (anticipated)	\$13,200,000 [†]
Property Value As-Of-Date (anticipated)	1/17/2020
Maximum Allowable LTV	90%
Underwritten Actual LTV (anticipated)	90%
Monthly Debt Service (anticipated)	\$ _____
Minimum Allowable DSCR	1.15x*
Underwritten Actual DSCR (anticipated)	1.17x
Estimated Actual DSCR Interest Only	N/A
[†] Property Valuation – CBRE Multifamily Capital, Inc., for its UW Value, is using the purchase price + capital improvements to be included in the Rehabilitation Reserve Agreement; this is lower than the appraiser’s concluded value	

<i>CRA Information</i>	
Property Name	Magnolia Terrace Apartments
Address	509 East Magnolia Drive
Property County	Leon
Units	108
Property Type	Multifamily, Affordable
Affordable Housing Type	LIHTC and Project Based Section 8
% Units with Income or Rental Restrictions	100%
# of Units At or Below 30% Area Median Income	0 (See “Income and Rent Restrictions” section of the Preliminary Official Statement for more detail)
# of Units At or Below 50% Area Median Income	0 (See “Income and Rent Restrictions” section of the Preliminary Official Statement for more detail)
# of Units At or Below 60% Area Median Income	108 (See “Income and Rent Restrictions” section of the Preliminary Official Statement for more detail)
HAP Contract (Y/N)	Y
Remaining Term of HAP Contract (months)	240 Months
Additional Affordability Detail	See “Income and Rent Restrictions” section contained in the Preliminary Official Statement for further detail
Age Restricted (Y/N)	N

* Preliminary; subject to change.

APPENDIX I

FORM OF PROPOSED ADDITIONAL DISCLOSURE ADDENDUM

The following information supplements the information in the Fannie Mae MBS Prospectus. In the event of any inconsistency between the information provided in this Addendum and the information in the Fannie Mae MBS Prospectus, the information in this Addendum shall prevail.

The mortgage loan is an affordable housing loan and, accordingly, the mortgaged property is subject to affordable housing regulatory requirements that impose income restrictions on tenants of the mortgaged property. See **"The Mortgage Loans—Affordable Housing Loans"**; **"RISK FACTORS—RISKS RELATING TO YIELD AND PREPAYMENT—Prepayments Relating to Specific Types of Mortgage Loans and Mortgaged Properties—The successful operation of a mortgaged property securing an affordable housing mortgage loan may depend upon additional factors"**; and **"RISK FACTORS—RISKS RELATING TO YIELD AND PREPAYMENT—Prepayments Relating to Specific Types of Mortgage Loans and Mortgaged Properties—An affordable housing mortgage loan may be secured by a mortgaged property that has received an allocation of low-income housing tax credits but that fails to remain in compliance with the requirements for maintaining eligibility to receive the tax credits due to operations of the property or a casualty on the property"** in the Fannie Mae MBS Prospectus for additional information.

The MBS certificates will initially serve as collateral for a tax exempt issue of multifamily housing bonds (the "Bonds") issued by the California Municipal Finance Authority (the "Issuer") pursuant to and secured by an indenture of trust by and between the Issuer and Wilmington Trust, N.A., as trustee, and will be held as collateral for the Bonds. The mortgage loan documents provide that the mortgage loan is cross-defaulted with certain agreements relating to the Bonds entered into at the time of the issuance of the Bonds, including but not limited to the indenture authorizing the Bonds and any housing regulatory agreements that limit rents, impose income restrictions or otherwise restrict the use of the property.

Because the mortgage loan documents provide that the mortgage loan is cross-defaulted with certain of the agreements relating to the Bonds, a default under any of the cross-defaulted documents may trigger an event of default on the mortgage loan. If Fannie Mae accelerates the mortgage loan as a result of any event of default under the mortgage loan, the mortgage loan will be paid in full, and the stated principal balance of the MBS certificates will be passed through to the holder of the MBS certificates. In this case, no yield maintenance or other prepayment premiums will be payable to the holder of the MBS certificates.

In addition to the matters described above, the eligible multifamily lender acquiring the mortgage loan may request the disclosure of additional matters relating to the mortgage loan or upon delivery of the mortgage loan to Fannie Mae, in Fannie Mae's discretion it may determine that matters identified in the Term Sheet attached as APPENDIX H hereto or otherwise may need to be disclosed in the Additional Disclosure Addendum provided in connection with the issuance of the MBS certificates.

APPENDIX J

FORM OF NOTICE OF REQUEST TO EXCHANGE

Housing Finance Authority of Leon County, Florida
Multifamily Housing Revenue Bonds
(Pass-Through – Magnolia Terrace), Series 2020

Attention: Chair
Housing Finance Authority of Leon County, Florida
918 Railroad Avenue
Tallahassee, Florida 32310

Attention: Corporate Trust Department
The Bank of New York Mellon Trust Company, N.A.
10161 Centurion Parkway N
Jacksonville, Florida 32256

The undersigned, a Beneficial Owner of the Housing Finance Authority of Leon County, Florida Multifamily Housing Revenue Bonds (Pass-Through – Magnolia Terrace), Series 2020 (the “Bonds”), hereby requests The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”) to exchange Bonds in an original face amount and current principal amount equal to \$_____ and \$_____, respectively, for a like original face amount and current principal amount of the Pass-Through Certificate on _____, 20__ (the “Exchange Date”), and has arranged with its securities dealer (and/or DTC participant) to deliver such Bonds to the Trustee (via DTC withdrawal or DWAC) on or before the Exchange Date).

The undersigned acknowledges and agrees that the Issuer has the option, in the Issuer’s sole discretion, of either (i) delivering to the Beneficial Owner of the Bonds its proportional interest in the Pass-Through Certificate based upon its proportional interest in the Bonds, or (ii) redeeming the Beneficial Owner’s Bonds for an amount equal to par plus accrued interest to the date of redemption, all as more fully provided in the Indenture. The undersigned further agrees that the Issuer, the Trustee and Fannie Mae shall not have any liability to the Beneficial Owner arising from (1) the exercise by the Issuer in its sole discretion of the option to exchange for or redeem the Bonds, (2) any exchange or redemption of Bonds effected hereby, or (3) any of the costs or expenses hereof.

If the Issuer elects to exchange Bonds for a like original face amount and current principal amount of the Pass-Through Certificate, once the DTC DWAC has been verified and approved by the Trustee, the Trustee is hereby requested to deliver free the above-referenced original face and current principal amount of the Pass-Through Certificate in accordance with (a) the operational arrangements of DTC (or any successor) and (b) current market practices, including the applicable provisions of SIFMA’s Uniform Practices for the Clearance and Settlement of Mortgage-Backed Securities and Other Related Securities in accordance with the Beneficial Owner’s Fed delivery instructions.

If the Issuer elects to redeem Bonds, once the DTC DWAC has been verified and approved by the Trustee, the Trustee is hereby requested to transfer the above-referenced current principal amount of the Pass-Through Certificate to or upon the order of the Issuer in exchange for an amount equal to par plus accrued interest to the date of redemption (less any interest to be received by the Beneficial Owner on the next Payment Date if the redemption occurs between the Record Date and such Payment Date), and apply the proceeds of such transfer to the payment of the Redemption Price of the Bonds and the Trustee shall cancel the Bonds.

The undersigned Beneficial Owner shall pay the Trustee’s exchange fee in the amount of \$2,500 by wire transfer on the Exchange Date. If the Exchange Date is subsequent to a Record Date and prior to a corresponding certificate payment date for the Bonds, the Trustee shall wire the applicable principal and interest payments on the Bonds to the undersigned Beneficial Owner using the Beneficial Owner’s wire transfer instructions set forth below.

Dated: _____

(NAME OF PURCHASER)

By: _____

Name:

Title:

SIGNATURE GUARANTEED:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

Beneficial Owner's Fed delivery instructions: _____

Beneficial Owner's wire instructions: _____

Trustee's wire instructions: _____