

*This Official Statement has been prepared by the District of Columbia Housing Finance Agency (the "Agency") to provide information about the Series 2017 Bonds. Selected information is presented on this cover page for the convenience of the user. To make an informed decision regarding the Series 2017 Bonds, a prospective investor should read this Official Statement in its entirety. Unless indicated, capitalized terms used on this cover page have the meanings given in this Official Statement.*

**\$34,444,074**

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
**FHA-Insured Pass-Through Revenue Refunding Bonds**  
**(Multi-Family Development Program)**  
**Series 2017 (Federally Taxable)**



<b>Dated:</b> Date of Delivery	<b>Due:</b> as shown below
Taxable	<i>In the opinion of Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2017 Bonds is included in gross income for federal income tax purposes. Bond Counsel is also of the opinion that interest on the Series 2017 Bonds is exempt from all District taxation except estate, inheritance and gift taxes. No other opinion is expressed regarding other federal tax consequences arising with respect to the Series 2017 Bonds. See "TAX MATTERS" herein.</i>
Redemption	The Series 2017 Bonds are subject to redemption prior to maturity, including mandatory and special optional redemption at par under certain circumstances. For a more complete description of the redemption provisions, see "THE SERIES 2017 BONDS - Redemption."
Security	The Series 2017 Bonds will constitute special obligations of the Agency payable solely from and secured solely by a pledge of certain Revenues and Funds established under the Indenture. The Agency has no taxing power. <i>The District of Columbia shall not be obligated to pay the principal or redemption price of and interest on the Series 2017 Bonds and neither the faith and credit nor the taxing power of the District of Columbia is pledged to such payment.</i>
Interest Payment Dates	The first (1st) day of each month (or if any such day is not a Business Day, on the next succeeding Business Day), commencing October 1, 2017, and at maturity or earlier redemption.
Denominations	Issued in \$1.00 or any multiple thereof.
Closing/Settlement	August 17, 2017 through the facilities of DTC in New York, New York, or its custodial agent.
Bond Counsel	Kutak Rock LLP, Washington, D.C.
Underwriter's Counsel	Eichner Norris & Neumann PLLC, Washington, D.C.
Trustee	U.S. Bank National Association, Richmond, Virginia.
Book-Entry-Only System	The Depository Trust Company. See "THE SERIES 2017 BONDS – Book-Entry-Only System."

**\$34,444,074 of 3.236% Series 2017 Bonds due March 1, 2049 - Price: 100%**  
**CUSIP Number 25477P NT8<sup>1</sup>:**

The Series 2017 Bonds are offered when, as and if issued and received by the Underwriter, subject to prior sale, withdrawal or modification of the offer without notice, and the approval of legality by Kutak Rock LLP, Bond Counsel.

**JEFFERIES**

The date of this Official Statement is August 10, 2017

<sup>1</sup> CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of The American Bankers Association. The CUSIP numbers are included solely for the convenience of Bondholders and the Agency is not responsible for the selection or the correctness of the CUSIP numbers printed herein. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors, including, but not limited to, the refunding or defeasance of such securities or the use of secondary market financial products.

No dealer, broker, salesperson or other person has been authorized by the Agency or by the Underwriter to give any information or to make any representations, other than as contained in this Official Statement, and if given or made such other information or representations must not be relied upon as having been authorized by any of the foregoing. 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 Series 2017 Bonds, by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been furnished by the Agency and by other sources which are believed to be reliable but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the Underwriter. 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 Agency or changes involving the Series 2017 Loans since the date hereof.

This Official Statement contains forecasts, projections and estimates that are based on expectations and assumptions which existed at the time such forecasts, projections and estimates were prepared. The inclusion in this Official Statement of such forecasts, projections and estimates should not be regarded as a representation of the Agency or the Underwriter that such forecasts, projections and estimates will occur. Such forecasts, projections and estimates are not intended as representations of fact or guarantees of results. The forecasts, projections and estimates have not been examined or compiled by the Agency's auditors, nor have its auditors expressed an opinion or any other form of assurance on the information or its achievability.

If and when included in this Official Statement, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates" and analogous expressions are intended to identify forward-looking statements and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those projected. Such risks and uncertainties include, among others, general economic and business conditions, changes in political, social and economic conditions, regulatory initiatives and compliance with governmental regulations, litigation and various other events, conditions and circumstances, many of which are beyond the control of the Agency. These forward-looking statements speak only as of the date of this Official Statement. The Agency disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Agency's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, their respective 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 Series 2017 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 Series 2017 Bonds to certain dealers and certain dealer banks and banks acting as agents at prices lower than the public offering prices stated on the cover page hereof and said public offering prices may be changed from time to time by the Underwriter.

No registration statement relating to the Series 2017 Bonds has been filed with the Securities and Exchange Commission (the "Commission") or with any state securities agency. The Series 2017 Bonds have not been approved or disapproved by the Commission or any state securities agency, nor has the Commission or any state securities agency passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

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**\$34,444,074**  
**District of Columbia Housing Finance Agency**  
**FHA-Insured Pass-Through Revenue Refunding Bonds**  
**(Multi-Family Development Program)**  
**Series 2017 (Federally Taxable)**

This Official Statement provides certain information concerning the District of Columbia Housing Finance Agency (the “Agency”) in connection with the sale of the Agency’s \$34,444,074 aggregate principal amount of FHA-Insured Pass-Through Revenue Refunding Bonds (Multi-Family Development Program) Series 2017 (Federally Taxable) (the “Series 2017 Bonds”). The Series 2017 Bonds are authorized to be issued pursuant to the District of Columbia Housing Finance Agency Act, Title 42, Chapter 27 of the District of Columbia Code, as amended and supplemented from time to time (the “Act”), the Master Trust Indenture dated as of August 1, 2017 by and between U.S. Bank National Association (the “Trustee”) and the Agency (the “Master Indenture”), as supplemented by the Supplemental Trust Indenture dated as of August 1, 2017 by and between the Agency and the Trustee (the “Series 2017 Indenture” and together with the Master Indenture, the “Indenture”), and a resolution adopted by the Agency on July 25, 2017 (the “Bond Resolution”). The Agency may issue additional bonds under the Master Indenture but not on parity with the Series 2017 Bonds and any such additional bonds would be separately secured from the Series 2017 Bonds as set forth in a separate supplemental trust indenture issued in connection therewith. Certain terms used in this Official Statement and the Indenture have the meanings set forth in “APPENDIX IV – MASTER INDENTURE” and “APPENDIX V - FORM OF SERIES 2017 INDENTURE” attached hereto.

**INTRODUCTORY STATEMENT**

The Series 2017 Bonds are being issued by the Agency to provide monies to redeem on August 22, 2017, five (5) series of the Agency’s outstanding multifamily housing bonds (the “Prior Bonds”) issued under the General Resolution adopted by the Agency on July 29, 1997, as supplemented and amended by a Supplemental Resolution thereto adopted December 14, 1999, and certain series resolutions adopted by the Agency in connection with the issuance of the Prior Bonds (collectively, the “Prior Resolutions”). The proceeds of the Series 2017 Bonds will be held in funds invested in Permitted Investments, as defined in the Indenture. The Permitted Investments purchased with the proceeds of the Series 2017 Bonds will be deposited with the trustee for the Prior Bonds (the “Prior Trustee”), and will be in an amount which, together with the earnings thereon, will be sufficient to pay the principal of and interest on the Prior Bonds on the redemption date. A list of the Prior Bonds is set forth under “PRIOR BONDS TABLE” herein.

Upon delivery of the Series 2017 Bonds and direction to redeem the Prior Bonds to the Prior Trustee, the Prior Bonds will no longer be outstanding under the Prior Resolutions and certain mortgage loans, identified in Appendix I hereto (the “Series 2017 Loans”), held under the Prior Resolutions shall be released therefrom and pledged as security under the Indenture for the payment of the Series 2017 Bonds. See “APPENDIX I – Certain Information Regarding the Series 2017 Loans.” Costs of issuance of the Series 2017 Bonds and the Debt Service Reserve Fund deposit will be funded by the Agency, proceeds of the Series 2017 Bonds and from other funds available under the Prior Resolutions. See “SOURCES AND USES OF FUNDS.”

The Series 2017 Loans allocated to the Series 2017 Bonds are insured by the Federal Housing Administration (“FHA”), pursuant to a mortgage insurance program (the “Risk-Sharing Program”) established by the Federal Housing and Community Development Act of 1992 and the regulations promulgated thereunder, as more fully described herein. Monies received from the United States Department of Housing and Urban Development (“HUD”) pursuant to the Risk-Sharing Program with respect to the Series 2017 Loans are further pledged as security for the payment of the Series 2017 Bonds. See “SECURITY FOR THE SERIES 2017 BONDS AND SOURCES OF PAYMENT.” For a description of the Risk-Sharing Program and of subsidy programs applicable to the financed developments, see “APPENDIX II – Federal Housing Administration Risk-Sharing Program.”

The Series 2017 Loans are secured by the mortgages on multifamily residential developments located in the District of Columbia (the “District”) and evidenced by deed of trust promissory notes from the owners of the

Projects financed with the Prior Bonds (collectively, the “Borrowers”) to the Agency evidencing the obligation of each of the Borrowers to repay the applicable Series 2017 Loans financed with proceeds of the Prior Bonds (collectively, the “Mortgage Notes”). See “APPENDIX I - Certain Information Regarding the Series 2017 Loans.”

The Series 2017 Bonds are special obligations of the Agency secured solely by a pledge of the Revenues, the Series 2017 Loans, and the monies held in the Debt Service Reserve Fund (as defined in the Series 2017 Indenture), the Revenue Fund and the other funds and accounts under the Series 2017 Indenture (collectively, the “Trust Estate”). The pledged revenues consist of Mortgage Repayments and Prepayments related to the Series 2017 Loans. In addition, the amounts on deposit in certain funds and accounts established pursuant to the Indenture and the earnings thereon, including the Debt Service Reserve Fund, are also pledged as security for the payment of the Series 2017 Bonds. Notwithstanding anything to the contrary contained in the Master Indenture, the Debt Service Reserve Fund Requirement for the Series 2017 Bonds is established pursuant to the Series 2017 Indenture in an amount equal to one half of the maximum amount of principal and interest due in the then-current or any future calendar year with respect to the Series 2017 Bonds. See “SECURITY FOR THE SERIES 2017 BONDS AND SOURCES OF PAYMENT.”

The Series 2017 Bonds are subject to mandatory redemption in whole, or in part, on each Interest Payment Date, beginning on October 1, 2017, at a Redemption Price equal to 100% of the principal amount of the Series 2017 Bonds to be redeemed, without premium, in an amount equal to all principal of Prepayments and Mortgage Repayments related to the Series 2017 Loans received by or on behalf of the Agency on or before the last day of the immediately preceding calendar month. See “THE SERIES 2017 BONDS – Redemption.”

The Series 2017 Bonds are also subject to special optional redemption in whole on any Interest Payment Date on and after the date on which the Outstanding principal amount of the Series 2017 Bonds is less than 10% of the original principal amount thereof, at a Redemption Price equal to 100% of the principal amount thereof, without premium, plus accrued interest to the Redemption Date. See “THE SERIES 2017 BONDS – Redemption.”

There follows in this Official Statement a description of the Agency, certain information regarding the Series 2017 Loans, together with other information, including summaries of certain terms of the Series 2017 Bonds, the Indenture and certain provisions of the Act. All references herein to the Act and the Indenture are qualified in their entirety by reference to such laws and the regulations promulgated thereunder and such instruments or documents, copies of which are available from the Agency or the Underwriter, and all references to the Series 2017 Bonds are qualified in their entirety by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture. Definitions of certain terms used herein and not otherwise defined are set forth in “APPENDIX IV – MASTER INDENTURE” and “APPENDIX V - FORM OF SERIES 2017 INDENTURE”.

## **THE AGENCY**

The Agency is a corporate body and an instrumentality of the District of Columbia (the “District”), created under the District of Columbia Housing Finance Agency Act, Chapter 27 of Title 42 of the District of Columbia Code, as amended (the “Act”). The Bonds do not constitute obligations of the District, but are special limited obligations of the Issuer payable solely from and secured by the revenues and properties of the Agency pledged under the Indenture and not from any other revenues or property of the Agency, and do not constitute an indebtedness or obligation (legal, general, moral, special or otherwise) of the District. Neither the full faith and credit nor the taxing power of the District is pledged for the payment of the principal of, premium, if any, or interest on, the Bonds or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the Agency, and none of the Bonds or any of the agreements or obligations of the Agency shall be construed to constitute an indebtedness of the District within the meaning of any constitutional or statutory provision whatsoever. The Agency has no taxing power.

### **General**

The Agency was established in 1979 pursuant to the Act as a corporate body which has a legal existence separate from the government of the District but which is an instrumentality of the government of the District created to effectuate certain public purposes. The Act declares that there exists in the District a critical shortage of

adequate housing for low and moderate income families, and empowers the Agency to generate funds from private and public sources to increase the supply and lower the cost of funds available for residential mortgages and construction loans and thereby help alleviate the shortage of adequate housing. The principal office of the Agency is located at 815 Florida Avenue, N.W., Washington, D.C. 20001; telephone (202) 777-1600.

From the Agency's inception to September 30, 1992, the Agency's operations were primarily funded by interest-bearing, unsecured advances appropriated by the District. The unsecured advances were to be repaid from income of the Agency in excess of operating expenses in future years; to the extent such net income was available for such repayment. Pursuant to Public Law 104-194 (enacted September 9, 1996), the appropriated debt of the Agency including interest thereon was eliminated. Since October 1, 1992, the Agency's operating expenses have been funded solely from income derived from certain multifamily financial activities, other financial activities of the Agency and certain program income derived from its Single Family Mortgage Revenue Bond Programs.

### **Board of Directors**

The Act provides for the Agency to be governed by a Board of Directors (the "Board") consisting of five members appointed by the Mayor with the advice and consent of the Council of the District of Columbia (the "Council"). The current members of the Board are as follows:

#### *Buwa Binitie – Chairman*

Mr. Binitie is the Founder and Managing Principal of Dantes Partners, LLC. The firm specializes in financing community development transactions with a focus on preserving and developing affordable and workforce housing. Under Mr. Binitie's leadership, the firm has financed and created over 1000 units in the District of Columbia. As Project Consultant to then-Deputy Mayor for Planning and Economic Development, Neil Albert, Mr. Binitie executed the New Communities Initiative designed to redevelop public housing communities into mixed-income neighborhoods.

His work as a consultant includes advising the Neighborhood Development Company ("NDC") on the construction of a 72-unit, 100% affordable apartment building along Georgia Ave, Northwest. For three years he also served as Development Manager at NDC, where he managed projects from the conception through construction phases. Mr. Binitie has been a consultant to various Fortune 1000 companies including Accenture, AIG, Fleet National Bank, Ford Motor Company and Verizon, while he served as the Project Manager, Quality Control at Real Estate Resource Group, LLC.

Mr. Binitie holds a Bachelor of Science in Communications from New York University. He is a graduate of The Real Estate Associates Program and earned a Master of Science in Real Estate Development from Johns Hopkins University.

#### *Stephen M. Green – Vice Chairman*

As the Chief Operating Officer of The NHP Foundation, Mr. Green oversees the acquisition, financing and development of affordable and mixed-income residential property. The foundation owns 6,500 units and acquires and/or develops 750-1000 units per year in 12 markets throughout the United States, including the District of Columbia.

Mr. Green's experience as a senior executive in real estate and economic development is extensive and includes positions in the public and private sectors. For two years Mr. Green was the Director of the Office of Capital Programs at the District of Columbia Housing Authority, where he was responsible for a \$20 million capital investment and construction program. For five years, Mr. Green held the position of Senior Vice-President of Acquisition at William C. Smith Company. In this role he developed a seven site master plan for mixed-income residential units and commercial projects.

In the administration of former Washington, D.C. Mayor Anthony A. Williams, Mr. Green served as the Director of Development. He negotiated more than \$2 billion in economic development projects, most notably a

headquarter hotel for the Washington Convention Center and the successful negotiation with Major League Baseball that returned professional baseball to the District of Columbia and led to the construction of Nationals Park.

Mr. Green studied at Yale University and has been a guest lecturer at the Urban Land Institute and the American Planning Association as well as several universities.

*Bryan “Scottie” Irving – Member*

Mr. Irving’s passion for real estate began as a child cleaning apartments owned by his grandfather in Washington, D.C. Today he is the Principal and Founder of Blue Skye Development and Construction Company. The firm focuses on projects for government, residential and commercial clients in the Washington D.C. Metropolitan area. Blue Skye’s range of services includes construction management, general contracting and advisory services. Mr. Irving demonstrates his commitment to affordable housing through his business practices. His company is partnering with Donatelli Development to build 700 affordable apartment units.

Prior to launching Blue Skye Development, Mr. Irving was the Principal at Arena Development for five years. During his tenure he oversaw the construction and development of commercial and residential properties, including a condo conversion for first-time Washington, D.C. homebuyers.

Mr. Irving’s early career experience includes teaching history at Booker T. Washington Public Charter School, in Washington, D.C. He is a graduate of Central State University, where he earned a Bachelor of Science in Sociology.

*Stanley Jackson - Member*

Mr. Stanley Jackson is the President and Chief Executive Officer of Anacostia Economic Development Corporation, with over 30 years of experience in key leadership roles for housing and economic development.

Mr. Jackson served as Director of the D.C. Department of Housing and Community Development; overseeing a \$250 million budget and development of 6,700 units of newly constructed and rehabilitated affordable housing for seniors, special needs, and very low-to-moderate income residents. During tenure as DC Deputy Mayor for Planning and Economic Development, Mr. Jackson spearheaded the District’s participation in the development of \$2.5 billion residential, commercial, and entertainment real estate in the city’s core downtown area.

A Ward 8 resident, Mr. Jackson completed the Senior Executive Program at Harvard University Kennedy School of Government and has a Bachelor of Science in Business Administration is from the University of North Carolina at Fayetteville.

*Sheila Miller – Member*

Sheila Miller is Vice President at the National Association of Home Builders (“NAHB”) of Washington, D.C.

Ms. Miller’s vast experience in the multifamily industry includes both public and private sector engagement. At NAHB, Ms. Miller provides leadership and direction for the Multifamily Division, including overseeing member recruitment and marketing for the multifamily and 55+ councils.

Previously, Ms. Miller served as Director of Customer Engagement at Fannie Mae, overseeing the strategic direction and execution of senior housing loans within the organization’s Multifamily Mortgage Business. Ms. Miller also served as the Chief of Staff for the Executive Vice President of Fannie Mae’s Multifamily Mortgage Business, responsible for coordinating and executing of the division-wide strategy initiatives.

A Ward 5 resident, Ms. Miller is a member of the Urban Land Institute (“ULI”) and a member of ULI’s Women’s Leadership Initiative. She is a graduate of Howard University where she received a Bachelor’s degree in Economics.



## Management

The Act authorizes the Board to appoint, with the advice and consent of the Council of the District of Columbia, an Executive Director who serves as Secretary to the Board. The Executive Director is the Chief Executive Officer of the Agency and is responsible to the Agency's Board of Directors for the supervision, coordination and management of the Agency.

### *Executive Director/CEO – Todd A. Lee*

Mr. Lee joined the Agency as Executive Director in April of 2016. Mr. Lee has more than 24 years of multifamily and commercial real estate finance experience with a diverse background in multiple areas of investment and lending throughout the United States. Prior to joining the Agency, Mr. Lee worked at Fannie Mae for 14 years. Most recently, he served as Vice President in the Borrower Relationship, Structured Transactions and Seniors Housing Division where he was responsible for leading the Structured Transactions and Seniors Housing businesses with combined annual production of over \$3 billion.

Prior to that, Mr. Lee served as Vice President for Multifamily Equity in the Community Investments unit of the Multifamily Division at Fannie Mae where he managed an investment portfolio comprised, at its peak, of 44,000 apartment units with a gross asset value of \$4.5 billion. Mr. Lee also served as the Northeast Regional Director for the American Communities Fund, where he oversaw a team responsible for the origination, structuring and underwriting of debt, direct equity, and lines of credit for affordable and market rate residential developments throughout the Northeast.

Before joining Fannie Mae in 2001, Mr. Lee was Vice President/Structuring Specialist for Bank of America's Real Estate Structured Debt Group; Vice President for Chevy Chase Bank's Real Estate Banking Group (now Capital One Bank); and Assistant Vice President for NationsBank's Community Development Lending Group (now Bank of America). He began his career in 1991 at Riggs National Bank in Washington, D.C. (now PNC) as a Commercial Banking Associate.

Mr. Lee has a Bachelor of Business Administration in Finance from The College of William and Mary. He is a member of the Urban Land Institute and District of Columbia Building Industry Association. Mr. Lee served on the District of Columbia Housing Preservation Strike Force as the Chair of the Finance sub-committee. He is a past board member of East of the River Community Development Corporation. Mr. Lee is on the Board of Directors of the National Association of Local Housing Finance Agencies. He is also on the Board of Trustees of the National Housing Conference.

### *Chief of Staff – W. David Watts*

As the Chief of Staff, David Watts serves as a special advisor to the Executive Director by assisting in the development and implementation of the Agency's Strategic and Business Plan. Mr. Watts promotes internal and external collaborative communication to further the Agency's mission and initiatives. Mr. Watts brings expertise in the area of development and effectively manages teams within and outside of the Agency.

Mr. Watts has a long history of experience working for the District of Columbia government. He has served as Director of the D.C. Department of Housing and Community Development, the Director of the D.C. Department of Consumer and Regulatory Affairs and the Deputy Mayor for Planning and Economic Development. He has also served as the Senior Vice President for Government Affairs and Development at the Trammell Crow Company, the Executive Director of the President's Initiative on the City at the George Washington University and the General Counsel and Vice President for Legal Affairs. He has also held other leadership positions, including the Assistant Attorney General for Washington, D.C.

David received his B.A. from the University of Washington, his J.D. from the University of Maryland and his LL.M from the George Washington University. He is also a tenured Professor at the University of the District of Columbia, an Adjunct Professor at Drexel University and an Adjunct Professor at the David A. Clark School of Law.

*Interim General Counsel – Michael Winter*

In December of 2016, Mr. Winter was appointed to be the Interim General Counsel of the Agency, He is responsible for all legal matters regarding the Agency. Prior to serving as Interim General Counsel Mr. Winter served as the Agency's Deputy General Counsel beginning in 2009.

Throughout Mr. Winter's tenure at the Issuer, he has provided legal assistance to the Issuer in structuring single-family and both traditional and innovatively-structured multifamily housing revenue bond transactions. Tax-exempt and taxable bond transaction types include those credit-enhanced under HUD's Risk-Sharing Program, Fannie Mae or Freddie Mac, as well as unrated, unenhanced direct purchases. In addition, Mr. Winter has prepared all McKinney Act loan documents including Deeds of Trust, Promissory Notes, Guarantees, Declarations of Covenants and related documents. Mr. Winter has reviewed construction requisitions for compliance with federal and local law including tax-exempt bond compliance, tax credit compliance, Davis-Bacon Act compliance and compliance with local hiring laws and other Issuer requirements. Periodically, Mr. Winter conducts legal research regarding issues such as the local Tenant Opportunity to Purchase Act (TOPA) and prepares legal memoranda as requested.

Mr. Winter has more than 16 years of legal experience in the mortgage revenue bond and low-income housing tax credit programs. Prior to joining the Issuer, Mr. Winter held various legal positions in Washington, D.C. and North Carolina. He graduated from the Duke University School of Law and is a member of the District of Columbia Bar.

*Chief Financial Officer* – Currently, the Chief Financial Officer position is vacant.

*Vice President of Capital Markets – Pi Tao Hsu*

Ms. Hsu joined the Agency in September 2016. As the Vice President of Capital Markets, she is responsible for financial analysis, reporting and management of a portfolio comprised of; debt securities, including tax-exempt and taxable, variable and fixed rate, multifamily and single family mortgage loans and mortgage-backed securities, investments, and derivatives. In addition, Ms. Hsu supports the Chief Financial Officer in preparing forecasting assumptions, underlying budget decisions and strategic decisions aimed at expanding the Agency's business opportunities.

Ms. Hsu brings more than 25 years of experience in public/municipal debt financing, transaction structuring/negotiation and treasury management as well as investment advisory skills. Most recently, she served as the Director of Financial Planning at the Massachusetts Bay Transportation Authority. In this role, Ms. Hsu was in charge of developing and implementing public finance strategies for long term and short term capital project needs through the issuance, refunding and restructuring of municipal debt and working capital borrowing.

Ms. Hsu's experience in affordable housing spans more than 15 years of service at the Illinois Housing Development Authority ("IHDA"). At IHDA, she held various positions in financial management, including planning and implementing IHDA's debt financing strategies, managing new money debt issuance, redeeming and restructuring of outstanding debt, mortgage program funding/yield compliance, complying with bond covenants and SEC disclosure requirements, and all aspects of debt issuance and other related financing transactions.

Ms. Hsu holds a Masters of Business Administration with a concentration in Finance from Syracuse University in Syracuse, New York.

*Senior Vice President of Multifamily Lending and Neighborhood Investments – Christopher Donald*

Mr. Donald joined the Agency in October 2016. As the Senior Vice President of Multifamily Lending and Neighborhood Investments, Mr. Donald serves as part of the Agency's senior management team. His primary responsibility is to manage the day-to-day operations of the Multifamily Lending and Neighborhood Investments (formerly Public Finance) department and assist the Executive Director with the development of multifamily programs, products, policies and strategic planning.

Mr. Donald has over 15 years of experience in real estate finance, community building, development, land entitlement and construction. Mr. Donald specializes in acquisitions, entitlement, community visioning and deal structuring. As the Director of Development at the Arlington Partnership for Affordable Housing, Mr. Donald underwrote and structured \$60 million in low-income housing tax credit transactions. Mr. Donald began his career in finance at Lehman Brothers in the Municipal Finance Group and underwrote \$200 million in revenue bonds for the District of Columbia.

Prior to his tenure at the Agency, Mr. Donald served as the Principal and Co-Founder of The Leidesdorff Group (“TLG”). TLG is a diversified real estate advisory firm focused on the regeneration of urban communities within the Mid-Atlantic region. As a principal of TLG, Mr. Donald focused on distressed and disinvested urban communities. Mr. Donald is a member of the Urban Land Institute and was appointed to the Housing Association of Nonprofit Developers (“HAND”) Board of Directors in 2017. He is a graduate of Stanford University, where he earned a Bachelor of Arts in Political Science.

*Senior Director of Community Engagement – Risha K. Williams*

Ms. Williams serves as the Senior Director of Community Engagement and previously served as the Director of the Compliance and Asset Management for the Agency. As the Senior Director of Community Engagement, Ms. Williams is responsible for, among other things, oversight of the Agency’s management of multifamily assets, monitoring and providing support to owners to enhance performance of multifamily projects financed by the Agency. In addition, Ms. Williams is responsible for project budget reviews and approvals, project performance assessments and risk ratings.

Ms. Williams has 23 years of experience working in property management/government subsidy programs and possesses an exceptional comprehension for the operational and financial requirements for affordable, Section 8, and tax credit compliance programs necessary to manage an affordable asset. She has spent her career managing properties in Maryland, Virginia and the District, working for owners and investors, overseeing redevelopments, new construction and especially, distressed properties which she has successfully removed from the “Circle of distressed properties” list in Prince George’s County.

Prior to joining the Agency in 2011, Ms. Williams served as a Regional Property Manager for various property management and community development corporations throughout the Washington, D.C. metropolitan area. In that role, she comfortably managed single sites, multiple sites, garden style, mid and high-rise, and mixed used projects. She performed 100% audits to ensure continuity and compliance for Housing Production Trust Funds, Housing Choice Voucher programs, Project Based Section 8 Contracts, Lower Income Tax Housing Credit (“LITHC”), Community Development Block Grants and Federal Home Loan Bank funding.

Ms. Williams has studied Communication Relations at the University of Maryland.

## **THE SERIES 2017 BONDS**

### **General Description**

The Series 2017 Bonds mature on the date and bear interest at the rate set forth on the cover page of this Official Statement. Interest on such Series 2017 Bonds accrues from the date of delivery of the Series 2017 Bonds and is payable on the first (1st) day of each month (or if any such day is not a Business Day, on the next succeeding Business Day), commencing October 1, 2017, and at maturity or earlier redemption. The Series 2017 Bonds shall bear interest from the date of issuance and authentication thereof, payable on each Interest Payment Date. Interest on the Series 2017 Bonds will be calculated on the basis of a 360-day year comprised of twelve 30-day months. The interest on the Series 2017 Bonds shall be payable to the Holder by check or draft mailed to such Holder’s address appearing on the Record Date on the registration books of the Agency held by the Trustee on the first day of the month preceding the date on which interest is due and payable on the Series 2017 Bonds, or upon the written request of a registered owner of at least \$1,000,000 in principal amount of Bonds Outstanding, by wire transfer in immediately available funds to an account designated by such registered owner, which request will be effective for all dates on which interest is due until such notice is canceled by the registered owner. The principal and

Redemption Price of the Series 2017 Bonds shall be payable at the corporate trust office of U.S. Bank National Association, as Trustee. If the date of payment of principal of, premium, if any, or interest on the Series 2017 Bonds shall not be a Business Day, then such payment may be made on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided for such payment.

The Series 2017 Bonds are issuable only as fully registered bonds, without coupons, in denominations of \$1.00 or any integral multiple thereof. When issued, the Series 2017 Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”), New York, New York, which will act as securities depository for the Series 2017 Bonds. Individual purchases of the Series 2017 Bonds will be made in book-entry-only form, and purchasers of Series 2017 Bonds will not receive certificates representing their interest in such Series 2017 Bonds. So long as Cede & Co. is the sole registered owner of the Series 2017 Bonds, references herein to the registered owners or the Series 2017 Bonds shall mean Cede & Co., as nominee of DTC, and shall not mean the beneficial owners of the Series 2017 Bonds. See “THE SERIES 2017 BONDS – Book-Entry-Only System.”

So long as the Series 2017 Bonds are registered in book-entry-only form, principal or Redemption Price, and interest on the Series 2017 Bonds will be payable to Cede & Co., as aforesaid.

## **Redemption**

*Special Optional Redemption.* The Series 2017 Bonds are subject to special optional redemption in whole on any Interest Payment Date on and after the date on which the outstanding principal amount of the Series 2017 Bonds is less than 10% of the original principal amount thereof, at a Redemption Price equal to 100% of the principal amount thereof, without premium, plus accrued interest to the Redemption Date.

*Mandatory Redemption.* (a) Except as provided in paragraph (b) of this subsection, the Series 2017 Bonds are subject to mandatory redemption in whole or in part, on each Interest Payment Date, beginning on October 1, 2017, at a Redemption Price equal to 100% of the principal amount of the Series 2017 Bonds to be redeemed, without premium, in an amount equal to all principal of Prepayments and Mortgage Repayments related to the Mortgage Loans received by or on behalf of the Issuer on or before the last day of the immediately preceding calendar month, and the Trustee shall transfer such amount from the Revenue Fund to the Redemption Account pursuant to the Series 2017 Indenture.

(b) To the extent permitted by law, including applicable HUD regulations, while the Series 2017 Bonds are outstanding, the Agency agrees to name the Trustee as payee with respect to any and all claims for Federal Insurance proceeds relating to the Mortgage Loans financed with the proceeds of the Prior Bonds. All Prepayments received by the Trustee, constituting any such Federal Insurance proceeds, shall be applied to the mandatory redemption of the Series 2017 Bonds on the next Interest Payment occurring not later than 30 days following such receipt by the Trustee.

*Selection of Bonds to be Redeemed Upon Partial Redemption.* If the Series 2017 Bonds are to be redeemed in part pursuant to “THE SERIES 2017 BONDS – Redemption – Mandatory Redemption” above, each of the Series 2017 Bonds then Outstanding shall be redeemed in part, pro rata, in proportion to the Outstanding principal amount of each such Series 2017 Bond to the aggregate Outstanding principal amount of all Outstanding Bonds. To effect this pro rata redemption while the Series 2017 Bonds are held in the book-entry-only system, such mandatory redemption is to be made as a “Pro-Rata Pass-Through Distribution of Principal” by the Securities Depository.

*Notice of Redemption.* For any special optional redemption of the Series 2017 Bonds described under “THE SERIES 2017 BONDS – Redemption – Special Optional Redemption” above, the Trustee will give notice of redemption by Electronic Means, first class mail, postage prepaid, not more than 60 days nor less than 20 days prior to the specified Redemption Date, to the Registered Owner of each Series 2017 Bond, or portions thereof, to be redeemed at the address of such Registered Owner as shown on the Bond Register. With respect to Book-Entry Bonds, if the Trustee sends notice of redemption to the Securities Depository pursuant to the Letter of Representations, the Trustee shall not be required to give the notice set forth in the immediately preceding sentence. In the case of such a special optional redemption, the notice of redemption may state that it is conditioned upon receipt by the Trustee of sufficient moneys to redeem the Series 2017 Bonds including Available Moneys to pay any redemption premium in full (“Conditional Redemption”), and such notice and special optional redemption shall be

of no effect if by no later than the scheduled Redemption Date, sufficient moneys to redeem the Bonds and sufficient Available Moneys to pay any redemption premium have not been deposited with the Trustee, or, if such moneys are deposited, are not available. The Trustee will cause a second notice of redemption to be sent by first class mail, postage prepaid, on or within ten days after the 30th day after the Redemption Date to any Bondholder who has not submitted its Bond to the Trustee for payment. Receipt of notice under this section shall not be a condition precedent to redemption of the Series 2017 Bonds, and failure so to receive any such notice by any of such registered owners shall not affect the validity or the proceedings for the redemption of any Bonds. The Trustee shall provide copies of all notices given under this section and of all revocations of notices to the Issuer at the same time it gives notices to Bondholders.

*No notice of mandatory redemption will be given to any Bondholder or Beneficial Owner of the date or amount of the mandatory redemption of any Series 2017 Bonds.*

### **No Additional Bonds**

Although additional bonds may be issued under the Master Indenture by issuance of a separate supplemental indenture, any such additional bonds and any other obligations issued under such other supplemental indenture shall be secured as provided in such other supplemental indenture separate and apart from the Series 2017 Bonds. See “APPENDIX IV – MASTER INDENTURE.”

### **Book-Entry-Only System**

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2017 Bonds. The Series 2017 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2017 Bond certificate will be issued for each maturity of Series 2017 Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC, or its custodial agent.

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 includes 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 Global Ratings’ rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the Series 2017 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2017 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2017 Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, 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 Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2017 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial

Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2017 Bonds, except in the event that use of the book-entry system for the Series 2017 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2017 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 Series 2017 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2017 Bonds. DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2017 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect 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 Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

As described in this Official Statement in "THE SERIES 2017 BONDS – Redemption - Notice of Redemption," it is the intention that the allocations for mandatory redemption of the Series 2017 Bonds be made by DTC on a pro rata basis in accordance with DTC's "Pro-Rata Pass-Through Distribution of Principal" rules and procedures. If DTC's operational arrangements do not allow for payment of the Series 2017 Bonds on a pro-rata pass-through payment distribution of principal basis, then the Series 2017 Bonds selected for payment will be made in accordance with DTC's procedures then in effect.

Redemption notices shall be sent to DTC. If less than all of the Series 2017 Bonds within a single maturity of Series 2017 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2017 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 Agency 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 Series 2017 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2017 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 Agency or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial 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 Agency, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Agency or the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2017 Bonds at any time by giving reasonable notice to the Agency or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2017 Bond certificates are required to be printed and delivered.

The Agency may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2017 Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been furnished by DTC. Such information is believed to be reliable, but neither the Agency nor the Underwriter take any responsibility for the accuracy thereof.

NEITHER THE TRUSTEE NOR THE AGENCY SHALL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY PARTICIPANT, ANY PERSON CLAIMING A BENEFICIAL OWNERSHIP INTEREST IN THE SERIES 2017 BONDS UNDER OR THROUGH DTC OR ANY PARTICIPANT, OR ANY OTHER PERSON WHO IS NOT SHOWN IN THE REGISTRATION BOOKS OF THE TRUSTEE AS BEING A REGISTERED OWNER OF SERIES 2017 BONDS WITH RESPECT TO: THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT IN RESPECT OF THE PRINCIPAL OF OR REDEMPTION PRICE, IF ANY, OR INTEREST ON THE SERIES 2017 BONDS; ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO REGISTERED OWNERS OF THE SERIES 2017 BONDS UNDER THE INDENTURE; THE SELECTION BY DTC OR ANY PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2017 BONDS; OR ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS REGISTERED OWNER OF THE SERIES 2017 BONDS.

If the Book-Entry-Only System is discontinued and Series 2017 Bond certificates have been delivered as described in the Indenture, the Beneficial Owner, upon registration of certificates held in the Beneficial Owner's name, will become the registered owner of such Series 2017 Bonds. Thereafter, Series 2017 Bonds may be exchanged for an equal aggregate principal amount of Series 2017 Bonds in other authorized denominations and of the same maturity, upon surrender thereof at the principal corporate trust office of the Trustee. The transfer of any Series 2017 Bond may be registered on the books maintained by the Trustee for such purpose only upon the surrender thereof to the Trustee with a duly executed assignment in form satisfactory to the Trustee. For every exchange or registration of transfer of Series 2017 Bonds, the Trustee may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge may be made to the owner for any exchange or registration of transfer of the Series 2017 Bonds.

## **SECURITY FOR THE SERIES 2017 BONDS AND SOURCES OF PAYMENT**

### **General**

The Series 2017 Bonds are secured by and payable solely from all of the Agency's rights and interests in and to the revenues, assets and monies pledged to the payment of the Series 2017 Bonds under the Series 2017 Indenture, in particular the Revenues, the Series 2017 Loans, the monies held in the Debt Service Reserve Fund and the Revenue Fund and certain other funds and accounts under the Series 2017 Indenture (collectively, the "Trust Estate"). *The Series 2017 Loans will be insured under the Risk-Sharing Program which provides for payment of 100% of the unpaid principal balance of the Series 2017 Loans as of the date of default and interest on the Series 2017 Loans from the date of default to the date of the initial claim payment. See "APPENDIX II - Federal Housing Administration Risk-Sharing Program."*

The Series 2017 Bonds as described on the front cover page hereof are being issued pursuant to the Indenture and will be secured by and payable from the Trust Estate as described herein (which includes the Series 2017 Loans). As part of the Trust Estate, the Series 2017 Bonds are secured by the Debt Service Reserve Fund established under the Series 2017 Indenture. The Debt Service Reserve Fund Requirement for the Series 2017 Bonds will be satisfied as described in "SOURCES AND USES OF FUNDS." Under the Series 2017 Indenture, the Debt Service Reserve Fund Requirement for the Series 2017 Bonds may be reduced, and the Agency will be permitted in the future to release certain cash on deposit in the Debt Service Reserve Fund without consent of the holders of the Series 2017 Bonds, including upon the delivery of a Loan Payment Enhancement Facility, subject to the requirements of the Series 2017 Indenture as described in "SECURITY FOR THE SERIES 2017 BONDS AND SOURCES OF PAYMENT – Debt Service Reserve Fund."

The Series 2017 Bonds will constitute Non-Parity Obligations under and in accordance with the Master Indenture. Payment of the Series 2017 Bonds is secured by the pledge of funds and accounts under the Series 2017 Indenture, which will be held separate and distinct from the pledge securing Parity Obligations, and upon the terms

and conditions set forth in the Series 2017 Indenture. The Series 2017 Bonds (a) will be secured solely by the Revenues pledged under the Series 2017 Indenture and (b) except for amounts that are transferred free and clear of lien of the Master Indenture to the extent permitted thereunder, will not be secured by any other moneys, funds or accounts held under the Master Indenture. See APPENDIX IV – SUMMARY OF THE MASTER INDENTURE and APPENDIX V – FORM OF SERIES 2017 INDENTURE hereto.

*The Agency has no taxing power. The Series 2017 Bonds issued under the Indenture are not a debt of the District. The District is not liable on such Series 2017 Bonds and is under no legal obligation to provide monies to make up any deficiency in any of the funds or accounts established by the Indenture.*

## **Loans and Revenues**

The Series 2017 Loans are nonrecourse loans. The payments required to be made under the Mortgages with respect to the Series 2017 Loans are expected to be sufficient in amount to pay, when due, the principal of and interest on the Outstanding Series 2017 Bonds and Administrative Expenses with respect to the Series 2017 Bonds.

The Series 2017 Loans are currently outstanding and allocated to the Prior Bonds. Concurrently with the refunding described in “PLAN OF FINANCE,” the Series 2017 Loans will be transferred and pledged under the Indenture to the Series 2017 Bonds. Prepayments and Mortgage Repayments on the Series 2017 Loans will be applied as further described below and in “THE SERIES 2017 BONDS – Redemption.”

The Series 2017 Loans will consist of five (5) Loans insured by FHA under the Risk-Sharing Program, which had an actual aggregate principal balance of \$34,444,074 as of August 1, 2017 (the “Cut-off Date”). See “APPENDIX II – Federal Housing Administration Risk-Sharing Program” for a brief description of the Risk-Sharing Program. For further information about and characteristics of the Series 2017 Loans as of the Cut-off Date (except as noted), see “SECURITY FOR THE SERIES 2017 BONDS AND SOURCES OF PAYMENT – Characteristics of the Series 2017 Loans” and APPENDIX I to this Official Statement. The Agency will agree to provide certain information about the Series 2017 Loans to holders of the Series 2017 Bonds, as described in “SECURITY FOR THE SERIES 2017 BONDS AND SOURCES OF PAYMENT – Information Available to Bondholders.”

Under the Series 2017 Indenture, Revenues are defined as the Mortgage Repayments and Prepayments derived from the Series 2017 Loans and Investment Earnings (as defined in the Series 2017 Indenture) on funds and accounts established by the Indenture, but excluding Servicing Fees, unless such fees are specifically pledged to the Trustee, any commitment, reservation, extension or application fees charged by the Agency in connection with a Series 2017 Loan, accrued interest received in connection with the purchase of any investments or amounts collected with respect to Series 2017 Loans representing housing assistance payments under the Section 8 Program. See “APPENDIX III – Description of Section 8 Subsidy Program” and “APPENDIX V – Form of Series 2017 Indenture.”

The Trustee shall promptly deposit in the Revenue Fund all Revenues, including all Mortgage Repayments and Prepayments received on and after the Closing Date. On the Business Day prior to each Interest Payment Date, the Trustee shall transfer, in the following order pursuant to the Series 2017 Indenture, (i) amounts received as interest on the Series 2017 Loans in the Revenue Fund to the Debt Service Fund to be applied to the payment of interest on the Series 2017 Bonds on such Interest Payment Date, and (ii) except with respect to Federal Insurance proceeds which will be applied as set forth below, amounts received in the immediately preceding calendar month as principal of such Prepayments and Mortgage Repayments in the Revenue Fund to the Redemption Account to be applied to the payment of principal of the Series 2017 Bonds upon the mandatory redemption thereof as described in “THE SERIES 2017 BONDS – Redemption”; provided that the first such transfer relating to Prepayments and Mortgage Repayments will occur on the Business Day prior to October 1, 2017. To the extent permitted by law, including applicable HUD regulations, while the Series 2017 Bonds are outstanding the Agency agrees to name the Trustee as payee with respect to any and all claims for Federal Insurance proceeds relating to the Series 2017 Loans under the Risk-Sharing Program. All Prepayments received by the Trustee constituting Federal Insurance proceeds shall be deposited in the Redemption Account and applied to the mandatory redemption of the Series 2017 Bonds on the next Interest Payment Date, occurring not later than 30 days following such receipt by the Trustee. See “APPENDIX II – Federal Housing Administration Risk-Sharing Program.”



After such transfers described in the preceding paragraph, on the Business Day prior to each Interest Payment Date, the Trustee shall transfer remaining amounts received as interest on such Loans in the Revenue Fund in the order as follows: (a) to make payments required by the Series 2017 Indenture to replenish amounts in the Debt Service Reserve Fund necessary to satisfy the Debt Service Reserve Fund Requirement for the Series 2017 Bonds; (b) to make payments required by the Series 2017 Indenture to the Administrative Expense Fund for the payment of Administrative Expenses; and (c) to the Program Subsidy Fund of the Master Indenture. See “APPENDIX V – FORM OF SERIES 2017 INDENTURE.”

The Trustee will have a priority lien on any and all funds held by it under the Indenture to secure payment for its services. See “APPENDIX V – FORM OF SERIES 2017 INDENTURE.”

## **Characteristics of the Series 2017 Loans**

### *Composition*

The Series 2017 Loans will consist of five (5) Loans, which had an actual aggregate principal balance of approximately \$34,444,074 as of the Cut-off Date. See “APPENDIX I – Certain Information Regarding the Series 2017 Loans” for further information regarding characteristics of the Series 2017 Loans as of the Cut-off Date (except as noted).

### *Mortgage Rates; Calculation of Interest*

The Series 2017 Loans bear interest at mortgage rates that will remain fixed for their remaining terms. All of the Series 2017 Loans bear interest on the basis of a 360-day year consisting of twelve 30-day months.

### *Due Dates*

Monthly payments on the Series 2017 Loans are due on the first (1st) day of each calendar month.

### *Amortization; Level Payments*

The Series 2017 Loans are fully amortized in level monthly payments over their remaining terms to stated maturity at which time the unpaid principal balance plus accrued interest thereon is due. All of the Series 2017 Loans have begun to amortize as of the Cut-off Date. Even in the absence of a change in the amortization schedule of the Series 2017 Loans, Series 2017 Loans that provide for level monthly payments may still produce non-level payments as a result of the fact that, at any time, condemnation of or the occurrence of a casualty loss on, the mortgaged property securing any Series 2017 Loan or acceleration of payments due under the Series 2017 Loan by reason of a default may result in a prepayment.

### *Loan Debt Service Coverage; Prepayments; Summary*

The following table sets forth certain loan characteristics and debt service coverage ratio of the Series 2017 Loans as of the Cut-off Date (except as noted). All of the Borrowers are current on the payment of debt service on the Series 2017 Loans. Based on 2016 data from the audited property financial statements of the respective Projects (as defined herein) (except for Henson Ridge II, for which 2015 audited property financial statements were used) each of the Series 2017 Loans indicated on the table below have debt service coverage ratios as set forth in the table. The debt service coverage ratio is equal to the ratio of the net operating income (“NOI”) including replacement reserves divided by the total debt service (“DS”) which includes principal, interest, mortgage insurance premiums and servicing fees. Neither the Agency, the underwriter nor their respective counsel has undertaken any action to independently verify the accuracy of such information. There can be no assurances that the ratios set forth herein will continue.

The Series 2017 Loans are subject to prepayment at the option of each Borrower at par plus prepayment premium, as applicable, without the prior consent of the Agency. As of August 1, 2017, four (4) of the five (5) Series 2017 Loans may be prepaid at par while one (1) of the Series 2017 Loans (Wesley House) is subject to

optional prepayment at par plus a prepayment premium. The prepayment price for the Wesley House loan is 102%. On and after March 1, 2019, all of the Series 2017 Loans may be prepaid at par. In addition, FHA may permit the Series 2017 Loans to be refinanced or prepaid at any time in the event of a default on such Series 2017 Loans. See “APPENDIX I – Certain Information Regarding the Series 2017 Loans.”

The following table presents a summary of certain characteristics of the Series 2017 Loans. See also “APPENDIX I – Certain Information Regarding the Series 2017 Loans” for additional details.

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## Summary of the Series 2017 Loans as of the Cut-off Date<sup>1</sup>

Loan Name	Number of Units	Original Balance	Actual Balance	Amortization Start Date	Origination Date	Maturity Date	Remaining Term (months)	Interest Rate	Debt Service Coverage Ratio <sup>2</sup>	Loan Lockout Expiration Date <sup>3</sup>
1330 7 <sup>th</sup> Street	136	\$12,825,000	\$10,394,913	03/01/04	01/30/04	05/01/45	333	5.47%	3.05x	06/01/14
Henson Ridge II <sup>2 4</sup> (2004D)	156	5,696,000	5,136,351	01/01/07	02/28/05	12/01/46	352	5.57	1.49	06/01/15
Henson Ridge II <sup>2 4</sup> (2004E)	156	7,329,000	5,972,506	01/01/07	02/28/05	12/01/36	232	5.70	1.49	06/01/15
J.W. King	74	5,120,000	4,574,668	01/01/06	08/31/04	11/01/45	339	5.79	1.57	12/01/14
Wesley House	127	9,060,000	8,365,636	03/01/09	12/14/06	02/01/49	378	5.37	1.33	03/01/17
<b>Total</b>		<b>\$40,030,000</b>	<b>\$34,444,074</b>	-	-	-	-	-	-	-
<b>Weighted Average</b>	-	-	-	-	-	-	-	<b>5.54%</b>	<b>1.93x</b>	<b>06/21/15</b>

- (1) The Cut-off Date is August 1, 2017. See “APPENDIX I – Certain Information Regarding the Series 2017 Loans” for further information.
- (2) Debt Service Coverage Ratio was calculated using the 2016 audited property financial statements and is equal to the ratio of the net operating income (“NOI”) including replacement reserves divided by the total debt service (“DS”) which includes principal, interest, mortgage insurance premium and servicing fees. The Debt Service Coverage Ratio for Henson Ridge II (2004D) and Henson Ridge II (2004E) was calculated using 2015 audited property financial statements. The Debt Service Coverage Ratio for Henson Ridge II (2004D) and Henson Ridge II (2004E) was calculated taking into account both of the mortgage loans.
- (3) The Series 2017 Loans are subject to prepayment at the option of each Borrower at par plus prepayment premium, as applicable, without the prior consent of the Agency. As of August 1, 2017, four (4) of the five (5) Series 2017 Loans may be prepaid at par while one (1) of the Series 2017 Loans (Wesley House) is subject to optional prepayment at par plus a prepayment premium. The prepayment price for the Wesley House loan is 102%. On and after March 1, 2019, all of the Series 2017 Loans may be prepaid at par.
- (4) The Henson Ridge II (2004D) and Henson Ridge II (2004E) loans represent different series of prior bonds issued to finance the same Project.

### *FHA Risk-Sharing Insurance*

Each of the Series 2017 Loans is insured by FHA under the Risk-Sharing Program which provides for payment of 100% of the unpaid principal of the Series 2017 Loans as of the date of default and interest on the Series 2017 Loans from the date of default to the date of the initial claim payment; provided that the amount of interest paid will reflect the payment of interest in arrears. See “APPENDIX II – Federal Housing Administration Risk-Sharing Program.”

### *Federal Subsidies*

One of the Series 2017 Loans, 1330 7<sup>th</sup> Street, comprising a total of 136 units, is receiving Section 8 housing assistance under the federal Housing Assistance Payments (“HAP”) Program authorized by U.S. Department of Housing and Urban Development (“HUD”). HAP contracts specify the number of units in a particular mortgaged property for which Section 8 assistance will be provided. Under HAP contracts, HUD provides Section 8 rental subsidies to the project owners in an amount equal to the difference between the HUD-approved rent (the “Contract Rent”) for a particular assisted unit and the HUD required rental contribution from eligible tenant families. The Housing Act of 1937 (42 U.S.C. 1437, *et. seq.*) (the “Housing Act”) prescribes as the requisite tenant rental contribution an amount equal to the greatest of (i) 30% of the tenants' family monthly adjusted income, (ii) 10% of the tenants' family monthly gross income, and (iii) if the tenant family receives welfare assistance from a public agency and a portion of such assistance is adjusted in accordance with the family's actual housing costs, the monthly portion of the welfare assistance is adjusted. For Section 8 assisted units for which the cost of utilities is not included in rent, the tenant rental contribution includes the amount of HUD's estimate of the average monthly cost of utilities and other services (excluding telephone) for the unit in question (the “Utility Allowance”).

One of the Series 2017 Loans, Henson Ridge II (Series 2004D), is receiving funding from an annual contributions contract (“ACC”) between HUD and the District of Columbia Housing Authority (“DCHA”). Under the ACC, HUD agrees to make a maximum payment specified in the ACC to DCHA, over a specified term, for

housing assistance payments to owners and for the DCHA administrative fee and DCHA agrees to administer the program in accordance with HUD regulations and requirements. Under the ACC program, Henson Ridge II received a Mixed-Finance Amendment ACC, pursuant to which DCHA issues funds annually to owners of project units that are public housing replacement units eligible to receive public housing operating fund assistance under section 9(e) of the United States Housing Act of 1937 (42 U.S.C. 1437, et. seq.). See “APPENDIX III – Description of Section 8 Subsidy Program.”

#### *Section 42 Compliance Period*

Under Section 42 of the Internal Revenue Code of 1986, as amended (the “Code”), the multifamily residential developments financed with proceeds of the Prior Bonds (collectively, the “Projects”) relating to the Series 2017 Loans are subject to affordable rent restrictions for 15 years after (i) the “placed in service” date, or (ii) the year following the “placed in service” date at the owner's election. Based on the weighted average placed in service date determined from the Form 8609 filed for the respective Projects plus fifteen (15) years, the Section 42 compliance expiration dates for the Series 2017 Loans range from July 1, 2018 through July 14, 2023. The Agency has not taken any action to independently verify the accuracy of such information. See “APPENDIX I – Certain Information Regarding the Series 2017 Loans.”

#### *“Due on Sale” Provisions*

The Series 2017 Loans do not contain “due on sale” clauses restricting sale or transfer of the related mortgaged property.

#### *Assumability*

Each Series 2017 Loan may be assumed, subject to HUD review and approval, upon the sale of the related mortgaged property.

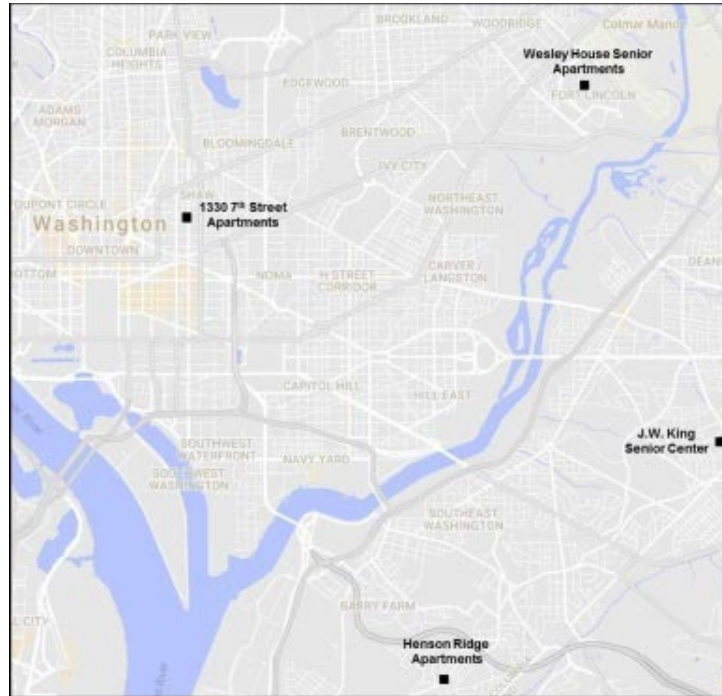
#### *Lien on Fee Simple Estate*

The Series 2017 Loans consist of first lien, multifamily, fixed rate mortgage loans that are secured by a lien on the respective Borrower's fee simple estate in a multifamily property.

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*Location of Series 2017 Mortgage Properties*

The following map identifies the locations of the mortgaged properties funded with Series 2017 Loans within the District:



The following are addresses and recent photographs of the mortgaged properties funded with Series 2017 Loans:

**Wesley House**

3400 Commodore Joshua Barney Drive, N.E  
Washington, D.C. 20018



**Henson Ridge II**

1620 – 1852 Alabama Avenue, S.E  
Washington, D.C. 20020



**1330 7th Street**

1330 7th Street, N.W  
Washington, D.C. 20001



**J.W. King**

4638 H Street, S.E.  
Washington, D.C. 20019



## **Weighted Average Life of Series 2017 Bonds**

### *Yield, Maturity and Prepayment Considerations*

The Prepayments of the Series 2017 Loans will affect the weighted average life of and the yields realized by holders of the Series 2017 Bonds.

- The principal portion of the Mortgage Repayment for any Series 2017 Loan may be in the form of scheduled or unscheduled amortization. The Series 2017 Loans amortize in level monthly payments, the amounts of which are set forth in “APPENDIX I – Certain Information Regarding the Series 2017 Loans.”
- The Series 2017 Loans are subject to prepayment at the option of each Borrower at par plus prepayment premium, as applicable, without the prior consent of the Agency. As of August 1, 2017, four (4) of the five (5) Series 2017 Loans may be prepaid at par while one (1) of the Series 2017 Loans (Wesley House) is subject to optional prepayment at par plus a prepayment premium. The prepayment price for the Wesley House loan is 102%. On and after March 1, 2019, all of the Series 2017 Loans may be prepaid at par.
- In addition, in the event of a default, FHA may permit a Risk-Sharing Program mortgage loan such as the Series 2017 Loans to be refinanced or prepaid without regard to any consent right, statutory prepayment prohibition or prepayment penalty provisions.
- The condemnation of, or occurrence of a casualty loss on, the mortgaged property securing any Series 2017 Loan or the acceleration of payments due under the Series 2017 Loan by reason of default may also result in a prepayment at any time.

Series 2017 Loan prepayment rates are likely to fluctuate over time. No representation is made as to the expected weighted average life of the Series 2017 Bonds or the percentage of the original unpaid principal balance of the Series 2017 Loans that will be paid to Bondholders at any particular time. A number of factors may influence the prepayment rate.

- While some prepayments occur randomly, the payment behavior of the Series 2017 Loans may be influenced by a variety of economic, tax, geographic, demographic, legal and other factors.
- These factors may include the age and payment terms of the Series 2017 Loans; geographic distribution and remaining depreciable lives of the underlying properties; characteristics of the Borrowers; amount of the Borrowers' equity; the availability of mortgage financing; in a fluctuating interest rate environment, the difference between the interest rates on the Series 2017 Loans and prevailing mortgage interest rates; the extent to which the Series 2017 Loans are assumed or refinanced or the underlying properties are sold or conveyed; changes in local industry and population as they affect vacancy rates; population migration; and the attractiveness of other investment alternatives.
- These factors may also include the application of (or override by FHA of) prepayment consent rights or statutory prepayment prohibition periods. For a more detailed description of the prepayment provisions of the Series 2017 Loans, see “Prepayments” under this caption.

No representation is made by the Agency or the Underwriter or their respective counsel concerning the particular effect that any of these or other factors may have on the prepayment behavior of the Series 2017 Loans. The relative contribution of these or other factors may vary over time.

### *Forward-Looking Average Life Calculations*

The following information has been provided by the Underwriter and no representation is made by the Agency or the Underwriter or their respective counsel concerning the actual average life of the Series 2017 Bonds or the Series 2017 Loans and how it compares to the forward-looking average life estimated herein.

The “Weighted Average Life” of a bond refers to the average amount of time that will elapse from the date of its issuance until each dollar of principal of that bond will be repaid to the investor. As a result, any projection of the Weighted Average Life of and yield on the Series 2017 Bonds must include an assumption about the anticipated timing and amount of payments on those Series 2017 Bonds, which will depend upon the rate of prepayments of the Series 2017 Loans, including optional borrower Prepayments and prepayments resulting from liquidation of defaulted Series 2017 Loans. In general, Prepayments of principal and defaults on the Series 2017 Loans will shorten the Weighted Average Life and term to maturity of the Series 2017 Bonds.

The Weighted Average Life of the Series 2017 Bonds is calculated as described under “Weighted Average Life” below.

The Weighted Average Life of the Series 2017 Bonds will be influenced by, among other things, the rate at which principal is paid on the Series 2017 Loans. In general, the Weighted Average Life of the Series 2017 Bonds will be shortened if the rate of Prepayments of principal of the Series 2017 Loans increases. However, the Weighted Average Life will depend upon a variety of other factors, including the timing of changes in such rate of principal Prepayments. Accordingly, no assurance can be given as to the Weighted Average Life of the Series 2017 Bonds.

#### Prepayment Assumption Models

*No representation is made by the Underwriter or the Agency or their respective counsel about the anticipated rate of Prepayments or foreclosures on the Series 2017 Loans or about the anticipated yield to maturity of the Series 2017 Bonds. Prospective purchasers of the Series 2017 Bonds are urged to base their decisions whether to purchase the Series 2017 Bonds upon a comparison of desired yield to maturity with the yield to maturity that would result based on the price that the purchaser pays for the Series 2017 Bonds and upon the purchaser’s own determinations about anticipated rates of Prepayments with respect to the Series 2017 Loans.*

Prepayments of mortgage loans are commonly measured by a prepayment standard or model. The model used herein is the constant prepayment rate (“CPR”) model. CPR represents a constant rate of prepayment on the Series 2017 Loans each month relative to the then outstanding aggregate principal balance of the Series 2017 Loans for the life of such Series 2017 Loans.

In addition, following any Series 2017 Loan default, the principal balance of the Series 2017 Loan will be paid from the proceeds received under the Risk-Sharing Program.

- As a result, defaults experienced on the Series 2017 Loans will accelerate the payment of principal of the Series 2017 Bonds.
- The Series 2017 Bonds are subject to special optional redemption as described herein under “THE SERIES 2017 BONDS - Redemption.”

The maturity date for the Series 2017 Bonds, which is set forth on the front cover of this Official Statement, is the latest date on which the principal balance will be reduced to zero. The actual retirement of Series 2017 Bonds may occur earlier than its maturity date.

#### Modeling Assumptions

Unless otherwise indicated, the table that follows has been prepared on the basis of the characteristics of the Series 2017 Loans and the following assumptions (the “Modeling Assumptions”), among others:

1. The Series 2017 Loans have the characteristics described in “APPENDIX I - Certain Information Regarding the Series 2017 Loans.”
2. The Series 2017 Loans may begin to prepay on September 1, 2017 at the constant percentages of CPR (described above) shown in the table.

3. The origination date of each Series 2017 Loan is as indicated in Appendix I.
4. Mortgage Repayments and Prepayments with respect to the Series 2017 Loans are always received on the first (1st) day of the month, whether or not a Business Day, commencing in September 2017. No penalty amounts are received with respect to Prepayments.
5. Payments on the Series 2017 Bonds occur on the first (1st) day of the month, whether or not a Business Day, commencing on October 1, 2017.
6. The Closing Date for the Series 2017 Bonds is expected to be August 17, 2017.
7. The Agency will exercise the special optional redemption for the Series 2017 Bonds on the first redemption date following the date on which the Outstanding principal amount of the Series 2017 Bonds is less than 10% of the original principal amount thereof.

When reading the table and the related text, prospective purchasers of the Series 2017 Bonds should bear in mind that the Modeling Assumptions, like any other stated assumptions, are unlikely to be entirely consistent with actual experience. For example, many payment dates will occur on the first Business Day after the fifteenth (15th) of the month.

#### Weighted Average Life

The table below indicates the Weighted Average Life of the Series 2017 Bonds, based on the assumption that the Series 2017 Loans prepay at the respective indicated percentages of CPR (the “CPR Prepayment Assumption Rates”).

It is unlikely that the Series 2017 Loans will prepay at any of the CPR Prepayment Assumption Rates, and the timing of changes in the rate of prepayments actually experienced on the Series 2017 Loans is unlikely to follow the pattern described for the CPR Prepayment Assumption Rates.

The Weighted Average Life of the Series 2017 Bonds is calculated by:

- (a) multiplying the net reduction, if any, of the principal balance from one Interest Payment Date to the next Interest Payment Date by the number of years from the date of issuance thereof to the related Interest Payment Date,
- (b) summing the results, and
- (c) dividing the sum by the aggregate amount of the assumed net reductions in principal balance referred to in clause (a).

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The Weighted Average Life is likely to vary, perhaps significantly, from that set forth in the table below due to the differences between the actual rate of prepayments on the Series 2017 Loans and the Modeling Assumptions. No representation is made by the Agency or the Underwriter or their respective counsel concerning the actual Weighted Average Life of the Series 2017 Bonds and how it will compare to the Weighted Average Life for the scenarios set forth in the table below.

<b>CPR</b>	<b>Weighted Average Lives of the Series 2017 Bonds</b>
0%	17.08
5%	11.97
10%	9.03
15%	7.34
20%	6.30
25%	5.60
30%	5.10
35%	4.75
40%	4.47
45%	4.24
50%	4.05

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The decrement table set forth below is based on the assumption that the Series 2017 Loans prepay at the CPR Prepayment Assumption Rates. It is unlikely that the Series 2017 Loans will prepay at any of the CPR Prepayment Assumption Rates, and the timing of changes in the rate of prepayments actually experienced on the Series 2017 Loans is unlikely to follow the pattern described for the CPR Prepayment Assumption Rates.

**CPR Prepayment Assumption Rates  
DCHFA Series 2017**

<b>Distribution Date Initial Percentage</b>	<b>0%</b>	<b>5%</b>	<b>10%</b>	<b>15%</b>	<b>20%</b>	<b>25%</b>	<b>30%</b>	<b>35%</b>	<b>40%</b>	<b>45%</b>	<b>50%</b>
<b>Date</b>											
August 17, 2017	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
August 1, 2018	98%	98%	98%	98%	98%	98%	98%	97%	97%	97%	97%
August 1, 2019	97%	95%	93%	92%	90%	88%	87%	85%	84%	82%	80%
August 1, 2020	95%	91%	87%	84%	80%	77%	74%	71%	68%	65%	62%
August 1, 2021	93%	86%	80%	74%	69%	64%	59%	55%	51%	48%	45%
August 1, 2022	91%	81%	72%	65%	58%	52%	47%	43%	39%	36%	33%
August 1, 2023	89%	76%	66%	57%	50%	44%	39%	35%	32%	29%	27%
August 1, 2024	86%	71%	58%	47%	39%	32%	27%	22%	19%	16%	13%
August 1, 2025	84%	65%	51%	39%	30%	24%	18%	14%	11%	0%	0%
August 1, 2026	81%	60%	44%	32%	24%	17%	12%	0%	0%	0%	0%
August 1, 2027	78%	55%	39%	27%	18%	13%	0%	0%	0%	0%	0%
August 1, 2028	75%	50%	33%	22%	14%	0%	0%	0%	0%	0%	0%
August 1, 2029	72%	46%	29%	18%	11%	0%	0%	0%	0%	0%	0%
August 1, 2030	69%	42%	25%	15%	0%	0%	0%	0%	0%	0%	0%
August 1, 2031	66%	38%	21%	12%	0%	0%	0%	0%	0%	0%	0%
August 1, 2032	62%	34%	18%	0%	0%	0%	0%	0%	0%	0%	0%
August 1, 2033	58%	30%	15%	0%	0%	0%	0%	0%	0%	0%	0%
August 1, 2034	54%	27%	13%	0%	0%	0%	0%	0%	0%	0%	0%
August 1, 2035	50%	24%	11%	0%	0%	0%	0%	0%	0%	0%	0%
August 1, 2036	45%	20%	0%	0%	0%	0%	0%	0%	0%	0%	0%
August 1, 2037	41%	18%	0%	0%	0%	0%	0%	0%	0%	0%	0%
August 1, 2038	38%	15%	0%	0%	0%	0%	0%	0%	0%	0%	0%
August 1, 2039	34%	13%	0%	0%	0%	0%	0%	0%	0%	0%	0%
August 1, 2040	30%	11%	0%	0%	0%	0%	0%	0%	0%	0%	0%
August 1, 2041	26%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
August 1, 2042	21%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
August 1, 2043	17%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
August 1, 2044	12%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
August 1, 2045	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
August 1, 2046	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
August 1, 2047	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
August 1, 2048	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
August 1, 2049	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<b>Weighted Average Life</b>	17.08	11.97	9.03	7.34	6.30	5.60	5.10	4.75	4.47	4.24	4.05

## Information Available to Bondholders

In the Series 2017 Indenture, the Agency will agree to provide the following information about each of the Series 2017 Loans on a monthly basis by filing a report on EMMA:

- (a) the current loan payment number (x480),
- (b) the loan status (construction phase, current, on watch list, number of days or months late, bankruptcy),
- (c) the remaining loan balance,
- (d) the current balance of the Debt Service Reserve Fund,
- (e) the current principal and interest paid (and remaining due, if any), and
- (f) the current quarterly occupancy data (with one month lag).

The Agency shall also file with EMMA the annual financial statements for each Project financed by a Series 2017 Loan upon receipt of such statements from the respective Borrower (expected within 240 days of the end of the fiscal year for such Project) and certain reports furnished to it by the Trustee pursuant to the Series 2017 Indenture. The Agency has no obligation to examine or review such financial statements to verify the accuracy or completeness of such financial statements. The Agency shall also enter the Continuing Disclosure Agreement for the benefit of Bondholders, a form of which is attached hereto as APPENDIX VII. It is the Agency's current practice to maintain loan documentation on site with respect to each Series 2017 Loan in accordance with applicable laws and its servicing procedures which may change from time to time.

## Debt Service Reserve Fund

The Series 2017 Indenture for the Series 2017 Bonds requires a deposit to the Debt Service Reserve Fund. The amount required to be funded by the Series 2017 Indenture is equal to one half of the maximum amount of principal and interest due for the then-current or any future calendar year with respect to the Series 2017 Bonds. The aggregate amount necessary to satisfy the Debt Service Reserve Fund Requirement for the issuance of the Series 2017 Bonds is \$1,053,032.01, which will be satisfied by a deposit on the date of issuance of the Series 2017 Bonds. *However, some or all of such amount on deposit in the Debt Service Reserve Fund may be released in the future, including as described in the following two paragraphs. See "APPENDIX V – Form of Series 2017 Indenture."*

At any time while the Series 2017 Bonds are outstanding, the Agency may enter a Loan Payment Enhancement Facility (as defined in the Series 2017 Indenture). The Series 2017 Indenture provides that, upon delivery of a Loan Payment Enhancement Facility with respect to the Series 2017 Bonds, the Debt Service Reserve Fund Requirement shall be such lesser amount as shall be permitted by the Rating Agency, as evidenced by a Confirmation that the reduction or elimination of the Debt Service Reserve Fund Requirement will not, in and of itself, impair, or cause the Series 2017 Bonds to fail to retain, the then existing rating assigned to the Series 2017 Bonds by the Rating Agency.

If the Agency provides the Trustee with a calculation showing that the amount on deposit in the Debt Service Reserve Fund (other than amounts attributable to accrued, but unrealized interest on Investments) is in excess of the Debt Service Reserve Fund Requirement for the Series 2017 Bonds, as of the Interest Payment Date next succeeding the date of such calculation, the Trustee shall transfer the amount of such excess pursuant to the written direction of the Agency.

Monies in the Debt Service Reserve Fund may not be withdrawn at any time in any amount which would cause the balance of funds in the Debt Service Reserve Fund to fall below the sum of the Debt Service Reserve Fund Requirement except for the purpose of paying principal and interest on the Series 2017 Bonds maturing and becoming due and for the payment of which other monies pledged under the Indenture are not available. In

connection with the special optional redemption of the Series 2017 Bonds, amounts in the Debt Service Reserve Fund in excess of the Debt Service Reserve Fund Requirement calculated after giving offset to such redemption may be withdrawn and applied together with other available monies to the redemption of the Series 2017 Bonds.

## **CERTAIN BONDHOLDERS' RISKS**

### **Limited Security**

The Series 2017 Bonds are special limited obligations of the Agency payable solely from the Trust Estate. See "SECURITY FOR THE SERIES 2017 BONDS AND SOURCES OF PAYMENT." There is no assurance that the Series 2017 Loans in or expected to be in the Trust Estate will perform in accordance with the assumptions made and that Revenues will be sufficient to pay debt service on the Series 2017 Bonds when due. See "APPENDIX V – FORM OF SERIES 2017 INDENTURE – Funds and Accounts." Although additional bonds may be issued by the Agency under the Master Indenture, any such additional bonds would not be on a parity with the Outstanding Series 2017 Bonds.

### **Rate of Principal Payments on the Series 2017 Loans**

The rate at which principal payments will be used to pay or redeem the Series 2017 Bonds will depend largely on the rate of principal payments, including Prepayments on the Series 2017 Loans. Any historical data regarding prepayment rates of the Series 2017 Loans may not be indicative of the rate of future Prepayments on the Series 2017 Loans and no assurances can be given about the rates at which the Series 2017 Loans will repay. The rate of principal payments on the Series 2017 Loans is expected to vary. Generally, Borrowers may prepay the outstanding Series 2017 Loans at any time and the source of financings for such prepayment could be from a third party lender or from the Agency. Additionally, Borrowers may prepay the Series 2017 Loans, at any time, with the approval of FHA in the event of a default. In addition to voluntary prepayments, the Series 2017 Loans can be prepaid as a result of governmental mortgage insurance claim payments, loss mitigation arrangements or liquidations of defaulted Series 2017 Loans. No assurances can be given as to the timing or frequency of any governmental mortgage insurance claim payments, loss mitigation arrangements or foreclosure proceedings with respect to defaulted Series 2017 Loans and the resulting effect on the timing or rate of principal payments on the Series 2017 Bonds.

### **Rate of Principal Payments Can Reduce the Yield**

The rate of principal payments on the Series 2017 Loans could reduce the yield realized on the Series 2017 Bonds. The yield on a Series 2017 Bond probably will be lower than expected if a Series 2017 Bond is purchased at (a) a premium and principal payments or Prepayments are paid faster than expected, or (b) a discount and principal payments are paid slower than expected.

### **An Investment in the Series 2017 Bonds is Subject to Significant Reinvestment and Extension Risk**

The rate of principal payments on the Series 2017 Bonds is uncertain. It may not be possible to reinvest the payments on the Series 2017 Bonds at the same rate of return provided by the Series 2017 Bonds. Lower prevailing interest rates may result in an unexpected return of principal. In that interest rate climate, higher yielding reinvestment opportunities may be limited. Conversely, higher prevailing interest rates may result in slower returns of principal and a Bondholder may not be able to take advantage of higher yielding investment opportunities. The final payment on the Series 2017 Bonds may occur much earlier than the maturity date.

### **Defaults will Increase the Rate of Prepayments**

If a Borrower defaults on a Series 2017 Loan and the Series 2017 Loan is subsequently foreclosed upon or FHA insurance benefits are received, or is otherwise liquidated, the effect would be comparable to a Prepayment of the Series 2017 Loan.

### **FHA has Authority to Override Prepayment Limitations**

FHA may override any payment consent rights or statutory prepayment prohibition with respect to the FHA-insured mortgage loans in the event of a default of a Series 2017 Loan.

### **The Series 2017 Bonds May not be a Suitable Investment**

The Series 2017 Bonds are not a suitable investment for all investors. In addition, there is no assurance that a secondary market will develop for the purchase and sale of the Series 2017 Bonds, that any secondary market will continue, or that the price at which the Series 2017 Bonds can be sold will allow for a desired yield on that investment. The market value of the Series 2017 Bonds is likely to fluctuate, with such fluctuations potentially being significant, which could result in significant losses to the holder. The secondary markets for mortgage-related securities have experienced periods of illiquidity and can be expected to do so in the future. Illiquidity can have a severe adverse effect on the price of the Series 2017 Bonds because they are sensitive to prepayment and interest rate risk.

### **Conditions to Payment of Risk-Sharing Insurance**

The failure to maintain adequate casualty insurance on any Project insured under the Risk-Sharing Program may result in the loss of Risk-Sharing Program insurance benefits in the event of damage to, or destruction of, such Project. Risk-Sharing Program benefits may also be impaired as a result of the failure to pay required mortgage insurance premiums to the FHA and failure of the mortgagee to provide the FHA on a timely basis with required notice. As described in “APPENDIX II – Federal Housing Administration Risk-Sharing Program,” the Agency is responsible for servicing the Series 2017 Loans and the maintenance of the Risk-Sharing Program insurance in connection with the Series 2017 Loans.

### **Affordable Multifamily Housing Loans**

The Series 2017 Loans are secured by properties that are generally encumbered by restrictive covenants, regulatory agreements or ground leases that impose restrictions relating to tenant income, occupancy and/or rent restrictions. A breach of these restrictions may constitute an event of default under the mortgage or may result in the termination of any payments being received from the governmental entity that imposed the restrictions. Some affordable multifamily housing properties may benefit from long-term federal rental assistance or other federal, state or local subsidies that may be terminated or abated if the requirements of the subsidies are not met. If a subsidy is reduced or eliminated and cannot be replaced by obtaining a new subsidy, increasing rents to current tenants or the leasing of properties to market tenants, the related Series 2017 Loan may default.

### **Default under Loan Payment Enhancement Facility**

The Indenture allows the Agency to enter into a Loan Payment Enhancement Facility to provide for the timely payment of Mortgage Repayments with respect to the Series 2017 Loans. The Series 2017 Indenture also provides that, upon delivery of a Loan Payment Enhancement Facility with respect to the Series 2017 Bonds, the Debt Service Reserve Fund Requirement shall be such lesser amount as shall be permitted by the Rating Agency, as evidenced by a Confirmation that the reduction or elimination of the Debt Service Reserve Fund Requirement will not, in and of itself, impair, or cause the Series 2017 Bonds to fail to retain, the then existing rating assigned to the Series 2017 Bonds by the Rating Agency. Default by the provider of the Loan Payment Enhancement Facility may result in insufficient revenues being available for timely payment of the Series 2017 Bonds. There will be no Loan Payment Enhancement Facility entered into at the time of issuance of the Series 2017 Bonds.

## **PLAN OF FINANCE**

The proceeds of the Series 2017 Bonds will be used to acquire Permitted Investments. The Permitted Investments purchased with such proceeds of the Series 2017 Bonds and other funds will be deposited with the Prior Trustee and will be in an amount which, together with the earnings thereon, will be sufficient to pay the principal of

and interest and redemption premium (if any) on the Prior Bonds through the redemption date on which the Prior Bonds are to be redeemed.

Concurrently with the redemption of the Prior Bonds, the Series 2017 Loans held under the Prior Resolutions will be transferred to the Indenture and be pledged as security for the Series 2017 Bonds. See “APPENDIX I – Certain Information Regarding the Series 2017 Loans.”

#### PRIOR BONDS TABLE

The Prior Bonds to be refunded with the proceeds of the Series 2017 Bonds, together with certain amounts held under the Prior Resolutions relating to the Prior Bonds, are summarized in the following table.

Series of Prior Bonds	Principal to be Redeemed	Redemption Date and Price
1330 7 <sup>th</sup> Street, Series 2004 A	\$10,740,000	August 22, 2017 at 100%
Henson Ridge II, Series 2004 D	5,270,000	August 22, 2017 at 100%
Henson Ridge II, Series 2004 E	6,175,000	August 22, 2017 at 100%
JW King, Series 2004 B	4,710,000	August 22, 2017 at 100%
Wesley House, Series 2006 A	8,675,000	August 22, 2017 at 102%

#### SOURCES AND USES OF FUNDS

The proceeds of the Series 2017 Bonds and other amounts are estimated to be applied as follows:

**Sources of Funds:**

Proceeds of Series 2017 Bonds	\$34,444,074
Other Funds available under the Prior Resolutions	2,332,553
Other Funds available from the Agency	1,241,556
<b>TOTAL</b>	<b><u>\$38,018,183</u></b>

**Uses of Funds:**

Refunding Prior Bonds	\$36,309,069
Debt Service Reserve Fund	1,053,032
Underwriter’s Compensation	390,236
Costs of Issuance	220,500
Debt Service Fund	43,346
<b>TOTAL</b>	<b><u>\$38,018,183</u></b>

#### RATING

The Series 2017 Bonds have been assigned the rating set forth on the cover page hereof by Moody’s Investors Service, Inc. (“Moody’s”).

Such ratings reflect only the respective views of such organizations, and an explanation of the significance of such ratings may be obtained from the rating agency furnishing the same. There is no assurance that a rating will continue for any given period of time or that a rating will not be revised or withdrawn entirely by any or all of such rating agencies, if, in its or their judgment, circumstances so warrant. Any downward revision or withdrawal of a rating could have an adverse effect on the market prices of the Series 2017 Bonds.

## **LEGALITY OF BONDS FOR INVESTMENT**

Under the provisions of §42-2704.09 of the Act, bonds and notes of the Agency are legal investments in which public officers and public bodies of the District, insurance companies and associations and other persons carrying on an insurance business, banks, bankers, banking institutions including savings and loan associations, building and loan associations, trust companies, savings banks and savings associations, investment companies and other persons carrying on a banking business, administrators, guardians, executors, trustees, and other fiduciaries and other persons authorized to invest in bonds or in other obligations of the District, may legally invest funds, including capital, in their control. The bonds and notes are also securities which legally may be deposited with and received by public officers and public bodies of the District or any agency of the District for any purpose for which the deposit of bonds or other obligations of the District is authorized by law.

## **LITIGATION**

At the time of delivery of and payment for the Series 2017 Bonds, the Agency's general counsel will deliver an opinion to the effect that there is no litigation, inquiry or investigation before or by any court, public board or body, other than as disclosed in this Official Statement and other than routine review and monitoring activities by state or federal regulatory authorities, known to be pending or, to the best of such counsel's knowledge, threatened against the Agency affecting the creation, organization or corporate existence of the Agency or the title of its present members or officers to their respective offices; seeking to prohibit, restrain or enjoin the issuance or delivery of the Series 2017 Bonds, or the collection of Revenues of the Agency or the pledge of assets and Revenues under the Indenture; in any way contesting or affecting the validity or enforceability of the Series 2017 Bonds, the Indenture, the Series 2017 Loans, the Continuing Disclosure Agreement or the purchase agreement with respect to the Series 2017 Bonds; or contesting in any material respect the completeness or accuracy of this Official Statement.

## **TAX MATTERS**

### **Opinion of Bond Counsel**

In the opinion of Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2017 Bonds is included in gross income for federal income tax purposes. Bond Counsel is also of the opinion that interest on the Series 2017 Bonds is exempt from all District taxation except estate, inheritance and gift taxes. Interest on the Series 2017 Bonds may be subject to state or local income taxes in jurisdictions other than the District of Columbia under applicable state or local tax laws. Bond Counsel expresses no opinion regarding any other federal or state tax consequences with respect to the Series 2017 Bonds. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date and assumes no obligation to update its opinion after the issue date to reflect any future action, fact or circumstances, or change in law or interpretation, or otherwise. Bond Counsel expresses no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the inclusion in gross income for federal income tax purposes of interest on the Series 2017 Bonds, or under state and local tax law. Each purchaser of the Series 2017 Bonds should consult his or her own tax advisor with regard to the taxable status of the Series 2017 Bonds.

The following is a summary of certain anticipated federal income tax consequences of the purchase, ownership and disposition of the Series 2017 Bonds under the Code and the regulations thereunder, and the judicial and administrative rulings and court decisions now in effect, all of which are subject to change or possible differing interpretations. The summary does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances, nor certain types of investors subject to special treatment under the federal income tax laws. Potential purchasers of the Series 2017 Bonds should consult their own tax advisors in determining the federal, state or local tax consequences to them of the purchase, holding and disposition of the Series 2017 Bonds. In general, interest paid on the Series 2017 Bonds, original issue discount, if any, and market discount, if any, will be treated as ordinary income to the owners of the Series 2017 Bonds, and principal payments (excluding the portion of such payments, if any, characterized as original issue discount or accrued market discount) will be treated as a return of capital.

## **Bond Premium**

An investor that acquires a Series 2017 Bond for a cost greater than its remaining stated redemption price at maturity and holds such bond as a capital asset will be considered to have purchased such bond at a premium and, subject to prior election permitted by Section 171(c) of the Code, may generally amortize such premium under the constant yield method. Except as may be provided by regulation, amortized premium will be allocated among, and treated as an offset to, interest payments. The basis reduction requirements of Section 1016(a)(5) of the Code apply to amortizable bond premium that reduces interest payments under Section 171 of the Code. Bond premium is generally amortized over the bond's term using constant yield principles, based on the purchaser's yield to maturity. Investors of any Series 2017 Bond purchased with a bond premium should consult their own tax advisors as to the effect of such bond premium with respect to their own tax situation and as to the treatment of bond premium for state tax purposes.

## **Market Discount**

An investor that acquires a Series 2017 Bond in the secondary market for a price less than the adjusted issue price of such bond may be subject to the market discount rules of Sections 1276 through 1278 of the Code. Under these sections and the principles applied by the regulations, "market discount" means (a) in the case of a Series 2017 Bond originally issued at a discount, the amount by which the issue price of such bond, increased by all accrued original issue discount (as if held since the issue date), exceeds the initial tax basis of the owner therein, less any prior payments that did not constitute payments of qualified stated interest, and (b) in the case of a Series 2017 Bond not originally issued at a discount, the amount by which the stated redemption price of such bond at maturity exceeds the initial tax basis of the owner therein. Under Section 1276 of the Code, the owner of such a Series 2017 Bond will generally be required (i) to allocate a portion of each principal payment to accrued market discount and include that portion as ordinary income, and, upon sale or other disposition of the bond, to recognize the gain on such sale or disposition as ordinary income to the extent of such cumulative amount of accrued market discount as of the date of sale or other disposition of such a bond or (ii) to elect to include such market discount in income currently as it accrues on all market discount instruments acquired by such owner on or after the first day of the taxable year to which such election applies.

The Code authorizes the Treasury Department to issue regulations providing for the method for accruing market discount on debt instruments the principal of which is payable in more than one installment. Until such time as regulations are issued by the Treasury Department, certain rules described in the legislative history will apply. Under those rules, market discount will be included in income either (a) on a constant interest basis or (b) in proportion to the accrual of stated interest or, in the case of a Series 2017 Bond with original issue discount, in proportion to the accrual of original issue discount.

An owner of a Series 2017 Bond that acquired such bond at a market discount also may be required to defer, until the maturity date of such bond or its earlier disposition in a taxable transaction, the deduction of a portion of the amount of interest that the owner paid or accrued during the taxable year on indebtedness incurred or maintained to purchase or carry such bond in excess of the aggregate amount of interest (including original issue discount) includable in such owner's gross income for the taxable year with respect to such bond. The amount of such net interest expense deferred in a taxable year may not exceed the amount of market discount accrued on the Series 2017 Bond for the days during the taxable year on which the owner held such bond and, in general, would be deductible when such market discount is includable in income. The amount of any remaining deferred deduction is to be taken into account in the taxable year in which the Series 2017 Bond matures or is disposed of in a taxable transaction. In the case of a disposition in which gain or loss is not recognized in whole or in part, any remaining deferred deduction will be allowed to the extent gain is recognized on the disposition. This deferral rule does not apply if the owner elects to include such market discount in income currently as it accrues on all market discount obligations acquired by such owner in that taxable year or thereafter.

Attention is called to the fact that Treasury regulations implementing the market discount rules have not yet been issued. Therefore, investors should consult their own tax advisors regarding the application of these rules as well as the advisability of making any of the elections with respect thereto.



## **Unearned Income Medicare Contribution Tax**

Pursuant to Section 1411 of the Code, as enacted by the Health Care and Education Reconciliation Act of 2010, an additional tax is imposed on individuals beginning January 1, 2013. The additional tax is 3.8% of the lesser of (a) net investment income (defined as gross income from interest, dividends, net gain from disposition of property not used in a trade or business and certain other listed items of gross income), or (b) the excess of “modified adjusted gross income” of the individual over \$200,000 for unmarried individuals (\$250,000 for married couples filing a joint return and a surviving spouse). Holders of the Series 2017 Bonds should consult their own tax advisors regarding the application of this tax to interest earned on the Series 2017 Bonds and to gain on the sale of a Series 2017 Bond.

## **Sales or Other Dispositions**

If an owner of a Series 2017 Bond sells a Series 2017 Bond, such person will recognize gain or loss equal to the difference between the amount realized on such sale and such owner’s basis in such bond. Ordinarily, such gain or loss will be treated as a capital gain or loss.

If the terms of a Series 2017 Bond were materially modified, in certain circumstances, a new debt obligation would be deemed created and exchanged for the prior obligation in a taxable transaction. Among the modifications that may be treated as material are those that relate to redemption provisions and, in the case of a nonrecourse obligation, those which involve the substitution of collateral. Each potential owner of a Series 2017 Bond should consult its own tax advisor concerning the circumstances in which such bond would be deemed reissued and the likely effects, if any, of such reissuance.

## **Defeasance**

The legal defeasance of the Series 2017 Bonds may result in a deemed sale or exchange of such bonds under certain circumstances. Owners of such Series 2017 Bonds should consult their tax advisors as to the federal income tax consequences of such a defeasance.

## **Backup Withholding**

An owner of a Series 2017 Bond may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid with respect to the Series 2017 Bonds, if such owner, upon issuance of the Series 2017 Bonds, fails to provide to any person required to collect such information pursuant to Section 6049 of the Code with such owner’s taxpayer identification number, furnishes an incorrect taxpayer identification number, fails to report interest, dividends or other “reportable payments” (as defined in the Code) properly, or, under certain circumstances, fails to provide such persons with a certified statement, under penalty of perjury, that such owner is not subject to backup withholding.

## **Foreign Investors**

An owner of a Series 2017 Bond that is not a “United States person” (as defined below) and is not subject to federal income tax as a result of any direct or indirect connection to the United States of America in addition to its ownership of a Series 2017 Bond will generally not be subject to United States income or withholding tax in respect of a payment on a Series 2017 Bond, provided that the owner complies to the extent necessary with certain identification requirements (including delivery of a statement, signed by the owner under penalties of perjury, certifying that such owner is not a United States person and providing the name and address of such owner). For this purpose the term “United States person” means a citizen or resident of the United States of America, a corporation, partnership or other entity created or organized in or under the laws of the United States of America or any political subdivision thereof, or an estate or trust whose income from sources within the United States of America is includable in gross income for United States of America income tax purposes regardless of its connection with the conduct of a trade or business within the United States of America.

Except as explained in the preceding paragraph and subject to the provisions of any applicable tax treaty, a 31% United States withholding tax will apply to interest paid and original issue discount accruing on Series 2017 Bonds owned by foreign investors. In those instances in which payments of interest on the Series 2017 Bonds continue to be subject to withholding, special rules apply with respect to the withholding of tax on payments of interest on, or the sale or exchange of Series 2017 Bonds having original issue discount and held by foreign investors. Potential investors that are foreign persons should consult their own tax advisors regarding the specific tax consequences to them of owning a Series 2017 Bond.

### **Tax-Exempt Investors**

In general, an entity that is exempt from federal income tax under the provisions of Section 501 of the Code is subject to tax on its unrelated business taxable income. An unrelated trade or business is any trade or business that is not substantially related to the purpose that forms the basis for such entity's exemption. Each potential tax-exempt holder of a Series 2017 Bond is urged to consult its own tax advisor regarding the application of these provisions.

### **ERISA Considerations**

The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), imposes certain requirements on "employee benefit plans" (as defined in Section 3(3) of ERISA) subject to ERISA, including entities such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (collectively, "ERISA Plans") and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirement of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the ERISA Plan. The prudence of any investment by an ERISA Plan in the Series 2017 Bonds must be determined by the responsible fiduciary of the ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment. Government and non-electing church plans are generally not subject to ERISA. However, such plans may be subject to similar or other restrictions under state or local law.

In addition, ERISA and the Code generally prohibit certain transactions between an ERISA Plan or a qualified employee benefit plan under the Code and persons who, with respect to that plan, are fiduciaries or other "parties in interest" within the meaning of ERISA or "disqualified persons" within the meaning of the Code. In the absence of an applicable statutory, class or administrative exemption, transactions between an ERISA Plan and a party in interest with respect to an ERISA Plan, including the acquisition by one from the other of the Series 2017 Bonds could be viewed as violating those prohibitions. In addition, Section 4975 of the Code prohibits transactions between certain tax-favored vehicles such as Individual Retirement Accounts and disqualified persons. Section 503 of the Code includes similar restrictions with respect to governmental and church plans. In this regard, the Agency or any dealer of the Series 2017 Bonds might be considered or might become a "party in interest" within the meaning of ERISA or a "disqualified person" within the meaning of the Code, with respect to an ERISA Plan or a plan or arrangement subject to Sections 4975 or 503 of the Code. Prohibited transactions within the meaning of ERISA and the Code may arise if the Series 2017 Bonds are acquired by such plans or arrangements with respect to which the Agency or any dealer is a party in interest or disqualified person.

In all events, fiduciaries of ERISA Plans and plans or arrangements subject to the above sections of the Code, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in the Series 2017 Bonds. The sale of the Series 2017 Bonds to a plan is in no respect a representation by the Agency or the Underwriter that such an investment meets the relevant legal requirements with respect to benefit plans generally or any particular plan. Any plan proposing to invest in the Series 2017 Bonds should consult with its counsel to confirm that such investment is permitted under the plan documents and will not result in a non-exempt prohibited transaction and will satisfy the other requirements of ERISA, the Code and other applicable law.

### **Treasury Circular 230 Disclosure**

Any federal tax advice contained in this Official Statement was written to support the marketing of the Series 2017 Bonds and is not intended or written to be used, and cannot be used, by a taxpayer for the purpose of

avoiding any penalties that may be imposed under the Code. All taxpayers should seek advice based on such taxpayers' particular circumstances from an independent tax advisor. This disclosure is provided to comply with Treasury Circular 230.

### **Changes in Federal and State Tax Law**

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the market value of the Series 2017 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2017 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2017 Bonds or the market value thereof would be impacted thereby. Purchasers of the Series 2017 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2017 Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

### **CERTAIN LEGAL MATTERS**

All legal matters related to the authorization, issuance, sale and delivery of the Series 2017 Bonds are subject to the approval of Kutak Rock LLP, Bond Counsel to the Agency with respect to the Series 2017 Bonds. The approving opinion of Bond Counsel substantially in the form set forth as Appendix VI hereto, will be delivered with the Series 2017 Bonds. Certain legal matters will be passed upon for the Agency by its interim general counsel, Michael Winter, Esq. Certain legal matters will be passed upon for the Underwriter by its counsel, Eichner Norris & Neumann PLLC, Washington, D.C.

### **FINANCIAL ADVISOR**

Caine Mitter & Associates Incorporated ("Caine Mitter") has been retained by the Agency to act as Financial Advisor in connection with the Series 2017 Bonds and has assisted in the preparation of certain information in this Official Statement. Caine Mitter will receive compensation for its services as Financial Advisor. Caine Mitter is not a public accounting firm and has not been engaged by the Agency to compile, review, examine or audit any information in this Official Statement in accordance with accounting standards. Caine Mitter is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Series 2017 Bonds.

### **UNDERWRITING**

The Series 2017 Bonds are being purchased by the underwriter named on the cover page of this Official Statement (the "Underwriter") who has agreed, subject to certain conditions, to purchase all but not less than all of such Series 2017 Bonds at par. The Underwriter will receive compensation in connection therewith in the aggregate amount of \$390,236.01. The initial public reoffering prices may be changed, from time to time, by the Underwriter.

*The following language has been provided by the Underwriter. The Agency takes no responsibility as to the accuracy or completeness thereof.*

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriter and its affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Agency for which they have received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriter and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Agency.

#### **CONTINUING DISCLOSURE AND OTHER AVAILABLE INFORMATION**

Prior to the issuance of the Bonds, the Agency will execute and deliver the Continuing Disclosure Agreement dated August 17, 2017 between the Agency, Digital Assurance Certification LLC, as dissemination agent, and the Trustee, pursuant to which the Agency will agree to provide, on its own behalf and on behalf of certain Borrowers, certain continuing disclosure for the benefit of the Bondholders. This undertaking has been made pursuant to the provisions of Rule 15c2-12(b)(5) under the Securities Exchange Act of 1934 (as amended, the “Rule”).

Pursuant to the Continuing Disclosure Agreement, the Agency will agree for the benefit of the Bondholders to provide certain financial information and operating data concerning the Projects and the Borrowers to the extent provided to the Agency by the Borrowers by no later than 240 days after the end of each fiscal year commencing with the fiscal year ending December 31, 2017 (the “Borrower Annual Information”), and to provide notices of the occurrence of certain enumerated events. The Borrower Annual Information will be filed by the Agency with the MSRB through its EMMA system. Notices of enumerated events will be filed by the Agency with the MSRB through EMMA. The form of the Continuing Disclosure Agreement is set forth under the caption “APPENDIX VII – Proposed Form of Continuing Disclosure Agreement.”

A failure by the Agency to comply with the Continuing Disclosure Agreement will not constitute an Event of Default under the Indenture. Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by a broker or dealer before recommending the purchase or sale of the Series 2017 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2017 Bonds and their market price and the ability of the Agency to issue and sell bonds in the future.

During the last five years, the Agency has been in compliance with its existing continuing disclosure obligations in all material respects pursuant to the Rule.

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## MISCELLANEOUS

The foregoing summaries and explanations do not purport to be comprehensive and are expressly made subject to the exact provisions of documents referred to herein. Copies of the Master Indenture, the Series 2017 Indenture and the other documents referred to herein may be obtained from the Trustee. Any statements in this Official Statement involving matters of opinion or forecast, 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 a contract or agreement between the Agency and the purchasers or owners of any Series 2017 Bonds.

### DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

By: /s/ Todd A. Lee  
Todd A. Lee  
Executive Director/CEO

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CERTAIN INFORMATION REGARDING THE SERIES 2017 LOANS<sup>(1)</sup>

Loan Name	Number of Units	Original Balance	Actual Balance	Amortization Start Date	Origination Date	Maturity Date	Original Term (months)	Remaining Terms (months)	Amortization Term (months)	Interest Rate
1330 7 <sup>th</sup> Street	136	\$12,825,000	\$10,394,913	03/01/04	01/30/04	05/01/45	496	333	495	5.47%
Henson Ridge II (2004D) <sup>2,3</sup>	156	5,696,000	5,136,351	01/01/07	02/28/05	12/01/46	502	352	480	5.57
Henson Ridge II (2004E) <sup>2,3</sup>	156	7,329,000	5,972,506	01/01/07	02/28/05	12/01/36	382	232	360	5.70
J.W. King	74	5,120,000	4,574,668	01/01/06	08/31/04	11/01/45	495	339	479	5.79
Wesley House	127	9,060,000	8,365,636	03/01/09	12/14/06	02/01/49	506	378	480	5.37
<b>Total</b>		<b>\$40,030,000</b>	<b>\$34,444,074</b>	-	-	-	-	-	-	-
<b>Weighted Average</b>	-	-	-							<b>5.54%</b>

Loan Name	Placed in Service Date	Debt Service Coverage Ratio <sup>3</sup>	Principal and Interest Payment	Loan Lockout Expiration Date <sup>4</sup>	Section 42 Compliance Expiration Date <sup>5</sup>	Mortgage Insurance Premium	Annual Servicing Fee Rate
1330 7 <sup>th</sup> Street	12/31/04	3.05x	\$60,742	06/01/14	12/31/19	0.50%	0.125%
Henson Ridge II (2004D) <sup>2,3</sup>	07/01/03	1.49	29,650	06/01/15	07/01/18	0.50	0.125
Henson Ridge II (2004E) <sup>2,3</sup>	07/01/03	1.49	42,538	06/01/15	07/01/18	0.50	0.125
J.W. King	01/19/06	1.57	27,440	12/01/14	01/19/21	0.50	0.125
Wesley House	07/14/08	1.33	45,930	03/01/17	07/14/23	0.50	0.125
<b>Total</b>	-	-	<b>\$206,300</b>	-	-	-	-
<b>Weighted Average</b>		<b>1.93x</b>	-	<b>06/21/15</b>	<b>07/05/20</b>	-	-

- (1) As of the Cut-off Date of August 1, 2017.
- (2) The Henson Ridge II (2004D) and Henson Ridge II (2004E) loans represent different series of prior bonds issued to finance the same Project.
- (3) Debt Service Coverage Ratio was calculated using the 2016 audited property financial statements and is equal to the ratio of the net operating income ("NOI") including replacement reserves divided by the total debt service ("DS") which includes principal, interest, mortgage insurance premium and servicing fees. The Debt Service Coverage Ratio for Henson Ridge II (2004D) and Henson Ridge II (2004E) was calculated using 2015 audited property financial statements. The Debt Service Coverage Ratio for Henson Ridge II (2004D) and Henson Ridge II (2004E) was calculated taking into account both of the mortgage loans.
- (4) The Series 2017 Loans are subject to prepayment at the option of each Borrower at par plus prepayment premium, as applicable, without the prior consent of the Agency. As of August 1, 2017, four (4) of the five (5) Series 2017 Loans may be prepaid at par while one (1) of the Series 2017 Loans (Wesley House) is subject to optional prepayment at par plus a prepayment premium. The prepayment price for the Wesley House loan is 102%. On and after March 1, 2019, all of the Series 2017 Loans may be prepaid at par.
- (5) The Placed in Service Date plus fifteen (15) years. The general partner may be required to obtain the consent of the limited partner prior to prepaying and/or refinancing the Series 2017 Loan prior to the Section 42 Compliance Date.
- (6) The general partner of a Section 8 subsidized transaction may lose the Section 8 subsidy if the loan is prepaid prior to the expiration of the HAP contract.

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**FEDERAL HOUSING ADMINISTRATION RISK-SHARING PROGRAM****General**

Section 542(c) of the Housing and Community Development Act of 1992, as amended, and the regulations promulgated thereunder (the “Risk-Sharing Act”), authorizes the Secretary of the U.S. Department of Housing and Urban Development, acting through the Federal Housing Administration (“HUD”) to carry out a risk-sharing program with qualified state or local housing finance agencies (“HFAs”), including the Agency. Under the program, the Agency is authorized to underwrite mortgage loans on qualifying rental housing projects and HUD is authorized to provide full mortgage insurance (“Federal Insurance”) for such mortgage loans provided that the Agency agrees to share in the risk of loss due to default on the loans. HUD has promulgated regulations at 24 C.F.R. Part 266 (the “Regulations”) pursuant to the Risk-Sharing Act. The Agency has been designated by HUD as a “qualified HFA” under the Risk-Sharing Act and has entered into a risk-sharing agreement (the “Risk-Sharing Agreement”) with HUD. Pursuant to Section 7.02 of the Series 2017 Indenture, the Agency has covenanted to do all things necessary to enforce its rights under the Federal Insurance and to receive payment of any claims thereon.

Under the program established by the Risk-Sharing Act (the “Risk-Sharing Program”), a participating HFA retains underwriting, loan management and property disposition functions and responsibility for defaulted loans. Following default under a mortgage loan subject to a HUD contract of mortgage insurance under the Risk-Sharing Program, the participating HFA may obtain from HUD an initial claim payment of 100% of the loan’s unpaid principal balance and accrued interest, subject to certain adjustments, as further described below. After a period during which the HFA may work toward curing the default, foreclosure or resale of the related project, losses (if any) are to be calculated and apportioned between the HFA and HUD according to a specified risk-sharing percentage for the mortgage loan (determined at the time of its endorsement for insurance), and the amount of the HFA’s reimbursement obligation to HUD is determined. During the period preceding such final loss settlement, the HFA is to pay HUD interest on the amount of the initial claim payment under a debenture required to be issued to HUD at the time of initial claim payment. In the case of the Agency, such debenture interest and the Agency’s reimbursement and other payment obligations to HUD under the Risk-Sharing Agreement will not be payable from the Revenues, Funds and Accounts and mortgage loans pledged under the Indenture.

**Mortgage Insurance**

In the case of a mortgage loan to be insured during construction, under the Regulations, HUD evidences its insurance by an initial endorsement of the applicable mortgage note at or prior to the first advance of monies under the insured mortgage loan to the Mortgagor. Such advance ordinarily occurs prior to the commencement of construction although construction may begin using a Mortgagor’s own funds with the Agency’s consent prior to initial endorsement. All advances for construction items will be made as authorized by the Agency pursuant to the requirements of HUD. The Regulations also provide for insurance of a mortgage loan following completion of the project without insurance of construction advances. In either case, upon completion of the project, presentation of a closing docket and certifications required by the Regulations, HUD issues a final endorsement of the mortgage note for the costs related to the project which have been certified by an independent certified public accountant and have been approved by the Agency. Although the Agency has been given authority to approve cost certifications by a Mortgagor, such certifications are contestable by HUD, up to and during final endorsement of the applicable mortgage. All of the Series 2017 Loans have received final endorsement.

The Regulations define an event of default under a HUD-insured mortgage as (i) a failure to make any payment due under the mortgage or (ii) a failure to perform any other mortgage covenant (which include covenants in the related Regulatory Agreement, which is incorporated by reference in the applicable mortgage) if the Agency, because of such failure, has accelerated the debt and the owner has failed to pay the full amount due. The Agency is entitled to receive the benefits of insurance after the Mortgagor has defaulted and such default continues for a period of 30 days. If the default continues to exist at the end of the 30 day grace period, the Agency is required to give HUD written notice of the default within 10 days after such grace period and monthly thereafter, unless waived by HUD, until such default has been cured or the Agency has filed an application for an initial claim payment.

Unless a written extension is granted by HUD, the Agency must file an application for initial claim payment (or, if appropriate, for partial claim payment) within 75 days from the date of default. Such claim may be made as early as the first day of the month following the month for which a payment was missed. Upon request of the Agency, HUD may extend, up to 180 days from the date of default, the deadline for filing a claim. In those cases where the Agency certifies that the Mortgagor is in the process of transacting a bond refunding, refinancing the mortgage, or changing the ownership for the purpose of curing the default and bringing the mortgage current, HUD may extend the deadline for filing a claim beyond 180 days, not to exceed 360 days from the date of default.

The initial claim amount is 100% of the unpaid principal balance of the mortgage note as of the date of default, plus interest at the mortgage note rate from the date of default to the date of initial claim payment (subject to curtailment as described below). HUD must make all claim payments in cash. The initial claim payment from HUD is equal to the initial claim amount, less any delinquent mortgage insurance premiums, late charges and interest assessment under the Regulations. The Regulations provide that proceeds of the initial claim payment must be used to retire any bonds or any other financing mechanisms securing the mortgage within 30 days of the initial claim payment, and that any excess funds resulting from such retirement or repayment shall be returned to HUD within 30 days of the retirement.

In determining the mortgage note interest component of the initial claim amount, if the Agency fails to meet any of the requirements of the Regulations concerning claim procedures within the specified time (including any granted extension of time), HUD shall curtail the accrual of mortgage note interest by the number of days by which the required action was late.

In the event of a mortgage default beyond the control of the owner of the project where the related project is still financially viable, the Agency may apply for a partial payment of insurance benefits in an amount necessary to cure the default, pursuant to the Regulations in lieu of filing a claim for full FHA insurance benefits. Only one partial payment of claim may be requested with regard to any insured mortgage. In connection therewith, a modification to such mortgage shall be prepared showing the reduction in the principal balance of the mortgage (and deferral of interest, if applicable) corresponding to the partial payment of claim.

Upon HUD's approval of a partial payment of claim proposal, HUD will pay insurance benefits to the Agency equal to 100% of the claim amount. Pursuant to the risk-sharing agreement, the Agency will, thereupon, reimburse HUD a certain percentage of the insurance claim paid by HUD which is the Agency's share of the insurance claim. These partial payments of claim proceeds shall be applied to a mandatory redemption of the Series 2017 Bonds allocable to the Series 2017 Loan. In such cases, the Agency shall take back a second note equal to the full amount of the partial payment of claim paid, and shall remit to HUD its share of payments received on account of such second note within 15 days of the Agency's receipt thereof.

Insurance under the Risk-Sharing Program with respect to any mortgage loan may be terminated upon the occurrence of certain events, including the following: (i) the corresponding mortgage is paid in full; (ii) the Agency acquires the mortgaged property and notifies HUD that it will not file an insurance claim; (iii) a party other than the Agency acquires the applicable project at a foreclosure sale; (iv) the Agency notifies HUD of a voluntary termination; (v) the Agency or its successors commit fraud or make a material misrepresentation to HUD with respect to certain information; (vi) the receipt by HUD of an application for final claims settlement by the Agency; or (vii) the Agency acquires the applicable project and fails to make an initial claim.

## DESCRIPTION OF SECTION 8 SUBSIDY PROGRAM

The following is a summary description of the effect of the Housing Assistance Payments Program (“HAP”) provided by Section 8 of the U.S. Housing Act and regulations thereunder and is qualified in its entirety by reference thereto.

The administrator for the HAP Contract (the “Administrator”), which is Assisted Housing Services Corporation, makes monthly Housing Assistance Payments to the Owner from funds received from HUD pursuant to the HAP Contract covering the difference between Contract Rents for units in the Project and the amount required to be paid by Eligible Tenants. The Contract Rents for the Project are approved by HUD and are subject to adjustment. See “Adjustments in Contract Rents” below.

Eligible Tenants are defined generally as those households whose income does not exceed 50% (on a scale weighted to reflect family size) of the median income for an area as determined by HUD.

### The HAP Contract

The administrative contract entered into by HUD and the Administrator authorizes the Administrator, among other things, to enter into Section 8 Agreements on behalf of HUD with Owners. Subject to the terms of the Section 8 Agreement, following a determination that the Project had been completed in accordance with the requirements of the Section 8 Agreement and that at least 30% of the Project’s units had been leased to very low-income tenants (tenants having incomes that do not exceed 50%, on a weighted scale, of the median income for the area), the Agency and the Owner enter into a HAP Contract for a term of 20 years. Under present law, eligibility to occupy units of the Project that become vacant is effectively limited to such very low income tenants. After expiration of the HAP Contract, the Owner will either have to find tenants able to pay market rents or low-income tenants then in the Project will have to qualify separately for housing assistance payments under Section 8 or other government programs, if any, then in effect if the Project is to remain viable.

Under the HAP Contract, the Administrator is to make monthly Housing Assistance Payments with respect to each unit in the Project occupied by an Eligible Tenant depending on the income of the tenant as computed under HUD regulations. In addition, with respect to vacant units in a Project, the Administrator, for a period of 60 days, is to make Housing Assistance Payments equal to 80% of the applicable Contract Rent (less money from other sources, such as security deposits, applied thereto); provided that, in the case of units vacant on the effective date of a HAP Contract, the Owner has theretofore made specified renting efforts and that, in other cases, the Owner follows specified eviction and renting procedures.

In addition, if a unit is vacant for more than 60 days, the Owner is entitled to make semiannual claims, and to receive additional Housing Assistance Payments, in an amount up to the portion of the debt service attributable to such unit for an additional 12 months, if (i) such unit is maintained in accordance with the requirements of the HAP Contract, (ii) the Owner demonstrates that the Project revenues are less than Project costs and that the additional Housing Assistance Payments are equal to the portion of the deficiency attributable to such unit while vacant, and (iii) the Owner submits evidence that there is a reasonable prospect that the Project can achieve financial soundness within a reasonable time.

### Adjustments in Contract Rents

The HAP Contract provides for certain adjustments in Contract Rents. No assurance can be given, however, that any such increases in Contract Rents will be sufficient to compensate for increased operating expenses of the Project.

### **Abatement of Housing Assistance Payments**

If the Administrator notifies the Owner that it has failed to maintain a dwelling unit in decent, safe and sanitary condition and the Owner fails to take corrective action within the time prescribed in the notice, the Administrator may exercise any of its rights or remedies under the HAP Contract, including the abatement of Housing Assistance Payments. If the Administrator determines that a unit of the Project is smaller or larger than appropriate, Housing Assistance Payments with respect to such unit will not be abated or terminated until the tenant has been relocated to an appropriate alternative unit.

### **Default; Remedies upon Default**

In addition to maintaining the Project so as to provide decent, safe and sanitary housing, the HAP Contract imposes requirements regarding nondiscrimination in housing, provision of opportunities for training and employment of lower income residents of the Project and awarding of contracts for Project work to businesses located in, or owned in substantial part by residents of the Project area, equal opportunity compliance and clean air and water pollution regulations.

If the Administrator determines that an Owner violates or fails to comply with any provision of or obligation under the HAP Contract or any lease to tenants or asserts or demonstrates an intention not to perform some of or all its obligations under the HAP Contract or any lease to tenants, the Administrator is to notify the Owner and HUD of (1) the nature of the default, (2) the actions to be taken and the remedies to be applied on account of the default (including the abatement of Housing Assistance Payments), and (3) the time within which the Owner must respond with a showing that all such actions have been taken. If the Owner fails to respond or to take satisfactory action, the Administrator may terminate the HAP Contract or take other corrective action to achieve compliance in its discretion or as directed by HUD.

In the event of a foreclosure, or an assignment or sale of the Project in lieu of foreclosure, or in the event of assignment or sale of the Project agreed to by the Administrator and approved by HUD (which approval is required not to be unreasonably delayed or withheld), Housing Assistance Payments are to continue in accordance with the terms of the HAP Contract.

## SUMMARY OF MASTER INDENTURE

The Master Indenture 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 Master Indenture to which reference is hereby made and which should be read in full for a complete understanding of all of the terms and provisions thereof. Copies of the Master Indenture are available from the Agency or the Trustee. This summary uses various terms defined in the Master Indenture and such terms as used herein shall have the same meanings as so defined.

### Provisions for Issuance of Obligations

The Master Indenture authorizes the issuance of “Obligations,” defined as bonds, notes, debentures, interim certificates or other evidences of financial indebtedness of the Agency authorized to be issued under the Act, which will be issued as Parity Obligations, Non-Parity Obligations, or any combination thereof. “Parity Obligations” have a first priority pledge of, lien on, and security interest in, the Trust Estate, except with respect to Obligations which have a separate and distinct pledge of, lien on, and security interest in the Trust Estate, including, without limitation, the Series 2017 Bonds. “Non-Parity Obligations” are Obligations authorized under the Master Indenture, payable from Revenues either separate and distinct from or subordinate to the payments made with respect to the Parity Obligations, and, as provided in the Master Indenture, will be secured by a lien on and a pledge of Revenues separate and distinct from or junior and inferior to the lien on and pledge of the Revenues for the payment of Parity Obligations, all as set forth in the Master Indenture.

Each Supplemental Indenture authorizing an issuance of Obligations must specify:

- (a) the authorized principal amount, Series designation of such Obligations, whether such Obligations are Term Bonds or Serial Bonds, and a designation of such Obligations as Parity Obligations or Non-Parity Obligations;
- (b) the purposes for which such Obligations are being issued, which will be limited to (i) financing of one or more Loans or the purchase of Mortgage-Backed Securities backed by Loans, (ii) the making of deposits in the amounts, if any, required or permitted by the Master Indenture or such Series 2017 Indenture into the Funds and Accounts established under the Master Indenture or under such Series 2017 Indenture, (iii) the refunding of Obligations or any other bonds, notes or other obligations of the Agency or other entity, (iv) financing one or more other Agency Purposes, or (v) any combination of the foregoing;
- (c) the dated dates and maturity dates of such Obligations;
- (d) the interest rate or rates of such Obligations (or the manner of determining such rate or rates) and the Interest Payment Dates therefor;
- (e) the denominations of, and the manner of dating, numbering and lettering, such Obligations;
- (f) the Trustee and the places of payment of such Obligations or, subject to the Master Indenture, the manner of appointing and designating the same;
- (g) the Redemption Prices, if any, of and, subject to the provisions of the Master Indenture, the redemption terms for such Obligations;
- (h) the amounts and due dates of the Sinking Fund Payments, if any, for any of such Obligations of like maturity;

- (i) the amount of the Debt Service Reserve Requirement with respect to such Obligations, which amount may be zero;
  - (j) provisions concerning the forms of such Obligations, and of the Trustee's certificate of authentication;
  - (k) provisions concerning any Credit Enhancement to be provided in connection with such Obligations;
  - (l) provisions concerning the issuance of such Obligations in book-entry form, if applicable;
- and
- (m) any other provisions deemed advisable by the Agency as will not conflict with the provisions of the Master Indenture..

### **Funds and Accounts**

The Master Indenture establishes, or provides for the establishment of, the following Funds and Accounts (collectively, the "Funds and Accounts") to be held by the Trustee: Proceeds Fund, Revenue Fund, Redemption Fund, Debt Service Reserve Fund, Rebate Fund, and Program Subsidy Fund. The Agency may direct the Trustee to establish Accounts or sub-accounts within each Fund to the extent consistent with the Master Indenture (including Accounts and sub-accounts held in trust for the benefit of Non-Parity Obligations and Parity Obligations) and such other Funds or Accounts as are authorized pursuant to a Supplemental Indenture.

### **Proceeds Fund**

(A) There shall be deposited from time to time in the Proceeds Fund any proceeds of the sale of Obligations representing principal or premium or other amounts required to be deposited therein pursuant to the Master Indenture and any Supplemental Indenture, and any other amounts determined by the Agency to be deposited therein from time to time.

(B) Subject to the provisions of the applicable Supplemental Indenture, amounts in the Proceeds Fund shall be expended only (i) to finance one or more of the Agency Purposes, including but not limited to, the financing or purchasing of Loans, in accordance with the Master Indenture, which may include making Loans, acquiring Loans or refinancing Loans, and the financing of Mortgage-Backed Securities, which may include acquiring Mortgage-Backed Securities or refinancing Mortgage-Backed Securities; (ii) to pay Costs of Issuance; (iii) to pay principal of and interest on a Series of Obligations when due, in accordance with subsection (D) of this section, to the extent amounts in the Revenue Fund are insufficient for such purpose; (iv) to purchase or redeem a Series in accordance with subsection I of this section; (v) to pay, purchase or redeem bonds, notes or other obligations of the Agency or any other entity in accordance with subsection I of this section and (vi) if so provided in a Supplemental Indenture, to reimburse a Credit Enhancer for amounts obtained under Credit Enhancement for the purposes described in clauses (iii), (iv) or (v) of this subsection (B).

(C) The Trustee shall pay out and permit the withdrawal of amounts on deposit in the Proceeds Fund at any time for the purpose of making payments pursuant to clause (i) or (ii) of paragraph (B) of this section, but only upon receipt of:

- (1) a written requisition of an Authorized Officer of the Agency, in the form attached to a Supplemental Indenture, setting forth the amount to be paid, the person or persons to whom such payment is to be made (which may be or include the Agency) and, in reasonable detail, the purpose of such withdrawal, and, if applicable, the subaccount of the Proceeds Fund from which such withdrawal is to be made; and
- (2) other items as shall be required under the Master Indenture and a Supplemental Indenture.

(D) At any time the Agency may direct the Trustee in writing to transfer amounts in the Proceeds Fund not required for the financing of the Agency Purposes to the Redemption Fund or to apply such amounts directly to the redemption, purchase or retirement of Obligations in accordance with their terms and the provisions of the Master Indenture.

(E) If so provided in a Supplemental Indenture authorizing the issuance of a Series of Obligations, the Agency may direct the Trustee in writing to transfer amounts in the Proceeds Fund to fund the payment, purchase or redemption of a Series of Obligations, which may include interest thereon, theretofore issued by the Agency or any other entity upon receipt by the Trustee of a written requisition setting forth (i) the Series of Obligations with respect to which the transfer is to be made, and (ii) the amount of the transfer.

(F) Upon the final disbursement of amounts on deposit in the Proceeds Fund or any sub-account thereof, at the direction of the Agency, the Trustee shall close the Proceeds Fund or such sub-account thereof.

### **Revenue Fund**

(A) The Agency shall cause all Pledged Receipts to be deposited promptly with the Trustee in the Revenue Fund or any subaccount created therein. There shall also be deposited in the Revenue Fund or any subaccount created therein any other amounts required to be deposited therein pursuant to the Master Indenture and any Supplemental Indenture.

(B) Except as otherwise provided in a Supplemental Indenture with respect to a Series of Obligations, the Trustee shall pay out of the Revenue Fund and the subaccounts created thereunder, as applicable, (i) on or before each Interest Payment Date, the amounts required for the payment of the Principal Installments, if any, and interest due on a Series of Obligations on such date, and (ii) on or before the Redemption Date or date of purchase, the amounts required to pay the Redemption Price on Outstanding Obligations to be redeemed or purchased on such date and in each such case, such amounts shall be applied by the Trustee to such payments; provided, however, that if, pursuant to a Supplemental Indenture, amounts obtained under Credit Enhancement are to be used to make the payments referred to in this paragraph (B), then amounts in the Revenue Fund which would have otherwise been used to make such payments may be applied to reimburse the Credit Enhancer for the amounts so obtained, all in accordance with such Supplemental Indenture.

(C) Any amount accumulated in the Revenue Fund up to the unsatisfied balance of a Sinking Fund Payment may, and if so directed in writing by the Agency shall, be applied (together with amounts accumulated in the Revenue Fund with respect to interest on the Obligations for which such Sinking Fund Payment was established) by the Trustee prior to the thirtieth day preceding the due date of such Sinking Fund Payment (i) to the purchase of Obligations of a Series of the maturity for which such Sinking Fund Payment was established, at prices (including any brokerage and other charges) not exceeding the Redemption Price for such Series of Obligations when such Series Obligations are redeemable by application of said Sinking Fund Payment plus unpaid interest accrued to the date of purchase, such purchases to be made in such manner as the Agency shall direct, or (ii) to the redemption of such Obligations, if then redeemable by their terms, at the Redemption Prices referred to above; provided, however, that, to the extent permitted by law, the purchase of such Obligations may be at prices exceeding that set forth in clause (i) of this paragraph (C) if the Agency shall have filed with the Trustee a Cash Flow Statement or Cash Flow Certificate pursuant to the Master Indenture, if required by the Master Indenture and the Supplemental Indenture and provided further, however, that if, pursuant to a Supplemental Indenture, amounts obtained under Credit Enhancement are to be used to make the purchases referred to in this paragraph (C), then amounts in the Revenue Fund which would have otherwise been used to make such purchases may be applied to reimburse the Credit Enhancer for the amounts so obtained, all in accordance with such Supplemental Indenture.

(D) Except as otherwise provided in an applicable Supplemental Indenture, upon the purchase or redemption of any Obligation of a Series pursuant to subsection (C) of this section, an amount equal to the principal amount of the Obligations so purchased or redeemed shall be credited toward the next Sinking Fund Payment thereafter to become due with respect to the Obligations of a Series of such maturity and the amount of any excess of the amounts so credited over the amount of such Sinking Fund Payment shall be credited by the Trustee against future Sinking Fund Payments in direct chronological order, unless otherwise instructed in writing by an Authorized Officer at the time of such purchase or redemption. Any such instructions shall be given in such manner as, in the

best judgment of the Agency, shall provide for the payment of the Sinking Fund Payments thereafter to become due from the remaining Revenues to be derived in connection with the Loans and Mortgage-Backed Securities and any other Revenues expected to be available for such payments after considering the amounts payable pursuant to the Loans and Mortgage-Backed Securities at such time. The portion of any Sinking Fund Payment remaining after the crediting thereto of any such amounts and of any amounts to be credited thereto as provided in subsection (B) under the heading "Redemption Fund" below (or the original amount of any such Sinking Fund Payment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Payment for the purpose of calculating Sinking Fund Payments due on a future date.

(E) Except as otherwise permitted in an applicable Supplemental Indenture, as soon as practicable after the thirtieth day preceding the due date of any such Sinking Fund Payment, the Trustee shall proceed to call for redemption pursuant to the Master Indenture, on such due date, Obligations of the maturity for which such Sinking Fund Payment was established in such amount as shall be necessary to complete the retirement of a principal amount of Obligations equal to the unsatisfied balance of such Sinking Fund Payment. The Trustee shall so call such Obligations of a Series for redemption whether or not it then has monies in the Revenue Fund sufficient to pay the applicable Redemption Price thereof on the Redemption Date. The Trustee shall pay out of the Revenue Fund the amount required for the redemption of the Obligations of a Series so called for redemption, and such amount shall be applied by the Trustee to such redemption; provided, however, that if, pursuant to a Supplemental Indenture, amounts obtained under Credit Enhancement are to be used to make the payments referred to in this paragraph I, then amounts in the Revenue Fund which would have otherwise been used to make such payments may be applied to reimburse the Credit Enhancer for the amounts so obtained, all in accordance with such Supplemental Indenture.

(F) On such date, if any, as shall be required by a Supplemental Indenture, the Trustee shall deliver to the Agency a certificate containing a statement which sets forth, as of such date, the amount remaining in the Revenue Fund as of such date after deducting all payments required to have been made pursuant to paragraph (B) of this Section and the amount, if any, required to be transferred to the Debt Service Reserve Fund and/or the Proceeds Fund. Concurrently with the delivery of such certificate, the Trustee shall transfer from the Revenue Fund (i) first, to the Debt Service Reserve Fund, an amount equal to the amount necessary to be transferred thereto in order that the amount on deposit therein be equal to the Debt Service Reserve Requirement (or such lesser amount as may be available), (ii) second, to the Proceeds Fund, such amount as the Agency determines is required to finance Agency Purposes, as evidenced by a certificate of an Authorized Officer, (iii) third, if so directed by the Agency, to the payment of Program Expenses and any other costs or expenses of the Agency in connection with any program of the Agency, as designated in a Certificate. At any time after the delivery of such certificate by the Trustee and after the transfers described in (i), (ii) and (iii) above, if applicable, have been made, except as otherwise provided in a Supplemental Indenture, the Agency may, upon the written request of an Authorized Officer and upon filing with the Trustee of a Cash Flow Statement or a Cash Flow Certificate pursuant to the Master Indenture, withdraw free and clear of the lien of the Master Indenture and the applicable Supplemental Indenture any amount remaining in the Revenue Fund. At the direction of the Agency, any such amounts may be deposited into the Program Subsidy Fund.

(G) Notwithstanding any other provision of this section, the Trustee may at any time make transfers from the Revenue Fund, upon the written direction of an Authorized Officer, to the Redemption Fund for the purposes thereof. No such transfer shall be made, however, unless there is on deposit in the Revenue Fund after such transfer an amount equal to the Debt Service accrued on all Outstanding Obligations as of the date of such transfer.

(H) Notwithstanding any other provision of this section, no payments shall be required to be made into the Revenue Fund so long as the amount on deposit therein shall be sufficient to pay all Outstanding Obligations of each Series (including the Sinking Fund Payments for the retirement thereof) in accordance with their terms, and any Revenues thereafter received by the Agency may be applied to any Agency Purposes free and clear of the pledge and lien of the Master Indenture and the applicable Supplemental Indenture.

### **Redemption Fund**

(A) There shall be deposited in the Redemption Fund all amounts which are required to be deposited therein pursuant to the Master Indenture and any Supplemental Indenture and any other amounts available therefor and determined by the Agency to be deposited therein. Subject to the provisions of the Master Indenture or of any



Supplemental Indenture authorizing the issuance of a Series of Obligations requiring the application thereof to the payment, purchase or redemption of any particular Obligations, the Trustee shall apply any amounts deposited in the Redemption Fund to the purchase or redemption of Obligations at the times and in the manner provided in this section and the Master Indenture.

(B) Except as otherwise provided in an applicable Supplemental Indenture, at any time before the thirtieth day prior to the day upon which a Series of Obligations are to be paid or redeemed from such amounts, the Trustee shall, if so directed in writing by the Agency, apply amounts in the Redemption Fund to the purchase of any of the Obligations of a Series which may be paid or redeemed by application of amounts on deposit therein. The Trustee shall purchase Obligations of a Series at such times, for such prices, in such amounts and in such manner as the Agency shall from time to time direct. The foregoing notwithstanding, unless specifically directed otherwise by written instructions of an Authorized Officer and accompanied by a Cash Flow Statement or Cash Flow Certificate pursuant to the Master Indenture, any monies in the Redemption Fund resulting from Recoveries of Principal, or unless otherwise permitted pursuant to a Supplemental Indenture, shall be applied to the purchase or redemption of Obligations of the Series issued to finance the Loans or Mortgage-Backed Securities which gave rise to the Recoveries of Principal, such Obligations to be purchased or redeemed on a reasonably proportionate basis among all maturities of such Series based upon the principal amount of such Obligations then Outstanding as directed by the Agency. In the event that Sinking Fund Payments have been established for the Obligations so purchased or redeemed, such Sinking Fund Payments shall be credited in the manner provided in the Master Indenture. The purchase price paid by the Trustee (excluding accrued interest but including any brokerage and other charges) for any Obligation purchased shall not exceed the Redemption Price on such Obligations, if then subject to redemption, or if not subject to redemption, the Redemption Price payable on any such date upon which such Obligation is next subject to redemption other than from Sinking Fund Payments; provided, however, that, to the extent permitted by law, the purchase of such Obligations may be at prices exceeding that set forth above in this paragraph (B) as directed by the Agency if the Agency shall have filed with the Trustee a Cash Flow Statement or Cash Flow Certificate pursuant to the Master Indenture. In the event the Trustee is able to purchase Obligations of a Series at a price less than the Redemption Price at which such Obligations were to be redeemed, then, upon the payment by the Trustee of the purchase price of such Obligations, the Trustee shall transfer the difference between the amount of such purchase price and the amount of such Redemption Price to, and deposit the same in, the Revenue Fund.

(C) Except as otherwise specifically provided in the Master Indenture, the Trustee shall have no obligation to purchase or attempt to purchase Obligations at a price below the Redemption Price or at any other price and any arm's length purchase by the Trustee shall conclusively be deemed fair and reasonable.

(D) Notwithstanding anything to the contrary contained in this section, if, pursuant to a Supplemental Indenture, amounts obtained under Credit Enhancement are to be used to purchase or redeem Obligations, then amounts in the Redemption Fund which would otherwise have been used for such purposes may be applied to reimburse the Credit Enhancer for the amounts so obtained, all in accordance with such Supplemental Indenture

#### **Debt Service Reserve Fund**

(A) There shall be deposited in the Debt Service Reserve Fund all amounts required to be deposited therein pursuant to the Master Indenture and any Supplemental Indenture and any other amounts received and determined to be deposited therein by the Agency.

(B) Amounts on deposit in the Debt Service Reserve Fund shall be applied, to the extent other funds are not available therefor pursuant to the Master Indenture and the applicable Supplemental Indenture, to pay the Principal Installments of and interest on the Outstanding Obligations of a Series when due, whether by call for redemption or otherwise. Whenever the amount in the Debt Service Reserve Fund exceeds the Debt Service Reserve Requirement for any given Series of Obligations, the Trustee shall, if so directed by the Agency pursuant to a written direction specifying the Debt Service Reserve Requirement, withdraw from the Debt Service Reserve Fund the amount of any excess therein over the Debt Service Reserve Requirement as of the date of such withdrawal and deposit the monies so withdrawn into the Revenue Fund.

(C) Moneys in the Debt Service Reserve Fund at the direction of the Agency shall, be withdrawn from the Debt Service Reserve Fund by the Trustee and deposited in the Redemption Fund for the purchase or redemption

of Obligations at any time, provided that subsequent to such purchase or redemption the amount in the Debt Service Reserve Fund will not be less than the Debt Service Reserve Requirement.

(D) If on any Interest Payment Date or Redemption Date for a Series of Obligations the amount in the Revenue Fund and the Redemption Fund, as applicable, shall be less than the amount required for the payment of the Principal Installments and interest due on the Outstanding Obligations of such Series on such date, the Trustee shall apply amounts from the Debt Service Reserve Fund to the extent necessary to make good the deficiency. The Trustee will notify the Agency if, 30 days prior to any Interest Payment Date or Redemption Date, the amount on deposit in the Revenue Fund or the Redemption Fund, as applicable, is estimated by the Trustee to be insufficient to make any payment due without a draw on the Debt Service Reserve Fund.

(E) Notwithstanding anything to the contrary contained in this section, if, pursuant to a Supplemental Indenture, amounts obtained under Credit Enhancement are to be used to pay the Principal Installments of and interest on Obligations, then amounts in the Debt Service Reserve Fund which would otherwise have been used for such purposes may be applied to reimburse the Credit Enhancer for the amounts so obtained, all in accordance with such Supplemental Indenture.

### **Investment of Certain Funds**

Monies in any Fund or Account that are pledged pursuant to the Master Indenture or any Supplemental Indenture shall be continuously invested and reinvested by the Trustee, at the direction of the Agency, in Investment Securities with a view toward maximizing yield (with proper preservation of principal) and minimizing the instances of uninvested funds, while maintaining adequate levels of liquidity as required by this Master Indenture or any Supplemental Indenture. The Agency shall direct the Trustee from time to time as to the investment of amounts in the Funds and Accounts established or confirmed by this Master Indenture or any Supplemental Indenture. The Agency may direct the Trustee to invest and reinvest the monies in any Fund or Account in Investment Securities so that the maturity date or date of redemption at the option of the owner thereof shall coincide as nearly as practicable with (but in no event later than) the times at which monies are needed to be expended; provided, however, that with respect to monies in a Fund or Account established by a Supplemental Indenture that are not pledged pursuant to the Master Indenture, the Agency may, if so provided in such Supplemental Indenture, designate another party as authorized to direct the investment of monies in such Fund or Account. The Investment Securities purchased shall be held by the Trustee, or for its account as Trustee and shall be deemed at all times to be part of such Fund or Account, and the Trustee shall keep the Agency advised as to the details of all such investments. Subject to the provisions of the Master Indenture, the Trustee shall not be liable or responsible for any loss resulting from such investments. Investments authorized to be made by the Trustee pursuant to the Master Indenture may be made by the Trustee through its own bond or investment department, unless otherwise provided in a Supplemental Indenture.

Investment Securities purchased as an investment of monies in any Fund or Account held by the Trustee under the provisions of the Master Indenture or any Supplemental Indenture shall be deemed at all times to be a part of such Fund or Account but the income or interest earned and gains realized in excess of losses suffered by a Fund or Account due to the investment thereof shall be deposited in the Revenue Fund or shall be credited as Revenues to the Revenue Fund from time to time and reinvested, except as otherwise provided in Section 5.1(C) hereof or in a Supplemental Indenture with respect to a Fund or Account established thereunder and except for interest income representing a recovery of the premium and accrued interest, if any, included in the purchase price of any Investment Security, which shall be retained in the particular Fund or Account for which the Investment Security was purchased.

To the extent permitted by law, the Trustee may combine any amounts on deposit in the Funds and Accounts held under the Master Indenture for the purpose of purchasing Investment Securities. However, the Trustee shall maintain and keep separate accounts of such Funds and Accounts at all times.

Unless otherwise provided in a Supplemental Indenture, the Trustee shall, upon direction from the Agency or such other party as shall be designated in a Supplemental Indenture, sell, and make, or present for redemption or exchange, any Investment Security purchased by it pursuant to the Master Indenture or any Supplemental Indenture whenever it shall be necessary in order to provide monies to meet any payment or transfer from the Fund or Account for which such investment was made.

Unless an Event of Default has occurred under the Master Indenture, monies held in trust by the Trustee under the Master Indenture or under a Supplemental Indenture shall be invested by the Trustee, and Investment Securities shall be sold by the Trustee, only upon direction from the Agency or such other party as shall be designated in a Supplemental Indenture, given or confirmed in writing, instructing the Trustee to purchase or sell, as the case may be, specified Investment Securities.

Upon receipt of written instructions from an Authorized Officer of the Agency, the Trustee shall exchange any coin or currency of the United States of America or Investment Securities held by it pursuant to this Master Indenture or any Supplemental Indenture for any other coin or currency of the United States of America or Investment Securities of like amount.

The following qualify as “Investment Securities” under the Master Indenture:

- (1) Government Obligations;
- (2) obligations of any state within the United States of America or of any political subdivision of such a state, provided that at the time of purchase, such obligations are rated in either of the two highest rating categories by the Rating Agency;
- (3) obligations, debentures, participation certificates, notes or other obligations issued or unconditionally guaranteed by any of the following: Federal Home Loan Banks, Farm Credit System (including the Bank for Cooperatives, Federal Land Banks, Federal Farm Credit Banks and Federal Intermediate Credit Banks), Fannie Mae, Farmer’s Home Administration (or its successor, the Rural Housing and Community Development Service), Freddie Mac, GNMA, Small Business Administration, Resolution Funding Corporation (REFCORP), or any other Federal agency or instrumentality backed by the full faith and credit of the United States of America;
- (4) deposits in interest-bearing time or demand deposits, or certificates of deposit, secured by obligations described in clause (1), (2) or (3) above or fully insured by the Federal Deposit Insurance Agency or its successor;
- (5) money market funds with a rating in the highest category of the Rating Agency;
- (6) unsecured certificates of deposit, time deposits, banker’s acceptances, repurchase agreements and commercial paper having maturities of not more than 365 days provided that such obligations are rated in the highest short term rating category of the Rating Agency;
- (7) Stripped Securities: principal-only strips and interest-only strips of noncallable obligations issued by the Treasury, and REFCORP securities stripped by the Federal Reserve Bank of New York;
- (8) guaranteed investment contracts or similar deposit agreements with insurance companies, banks or other financial institutions, provided the ratings on general unsecured obligations of such an institution are not lower than one notch below the Rating Agency’s rating on the Obligations to be secured by such guaranteed investment contracts or similar deposit agreements; and
- (9) Obligations issued under this Master Indenture.

Provided that it is expressly understood that the definition of Investment Securities shall be, and be deemed to be, expanded, or new definitions and related provisions shall be added to the Master Indenture, thus permitting investments with different characteristics from those permitted which an Authorized Officer deems from time to time to be in the interest of the Agency to include as Investment Securities, as reflected in a Certificate or in a Supplemental Indenture, if at the time of inclusion such inclusion will not, in and of itself, adversely affect the then existing ratings on the Obligations assigned to them by the Rating Agency.

## **Issuance of Additional Obligations**

The Agency shall not hereafter create or permit the creation of or issue any obligations or create any indebtedness which will be secured by a superior charge and lien on the Revenues and assets pledged under or pursuant to the Master Indenture or any Supplemental Indenture for the payment of Parity Obligations; provided that the Agency may create or permit the creation of or issue any obligations or create any indebtedness which will constitute Non-Parity Obligations. In addition, the Agency shall not hereafter create or permit the creation of or issue any obligations or create any additional indebtedness, other than Obligations and except as expressly permitted by the Master Indenture or any Supplemental Indenture with respect to pledges made for the benefit of Credit Enhancers, which will be secured by an equal charge and lien on the Revenues and assets pledged under or pursuant to the Master Indenture or any Supplemental Indenture.

The Agency expressly reserves the right to adopt one or more additional indentures for its purposes, and reserves the right to issue other obligations for such purposes that are not issued under the Master Indenture or any Supplemental Indenture.

## **Defaults and Remedies**

The Master Indenture declares each of the following events an “Event of Default”:

(a) payment of the principal or Redemption Price, if any, of or interest on any such Series of Obligations when and as the same shall become due, whether at maturity or upon call for redemption or otherwise, shall not be made when and as the same shall become due; or

(b) the Agency shall fail or refuse to comply with the provisions of the Master Indenture or shall default in the performance or observance of any of the covenants, agreements or conditions on its part contained herein or in any applicable Supplemental Indenture or the Obligations, and such failure, refusal or default shall continue for a period of forty-five days after written notice thereof to the Agency by the Trustee or the owners of not less than a majority in principal amount of the Outstanding Obligations.

If the Agency determines that an Event of Default has occurred under paragraph (b) above, the Agency shall promptly notify the Trustee thereof.

The Master Indenture provides that upon the happening and continuance of any Event of Default, then, and in each such case, the Trustee may proceed, and upon the written request of the Holders of not less than a majority in principal amount of the Outstanding Bonds shall proceed, in its own name, to protect and enforce its rights and the rights of the Bondholders by such remedies as provided in the Master Indenture.

Among other remedies, the Trustee shall have the right to declare all Outstanding Obligations of such Series due and payable. Notwithstanding the foregoing to the contrary, the Trustee shall not declare the Outstanding Obligations of such Series to be due and payable following an Event of Default under paragraph (b) above unless the Trustee shall have received the prior written direction of the Holders of not less than one hundred per cent (100%) in principal amount of the Outstanding Obligations of such Series and shall have been properly indemnified by the Bondholders to the satisfaction of the Trustee.

Under the Master Indenture, in the event that upon the happening and continuance of any Event of Default the funds held by the Trustee shall be insufficient for the payment of the principal or Redemption Price, if any, of and interest then due on the Obligations affected, the Master Indenture establishes priority of payments inapplicable to Non-Parity Obligations payable from Funds and Accounts held separate and distinct from the lien of the Master Indenture and established for the exclusive payment of such Non-Parity Obligations.

## **Modifications of the Master Indenture**

The Agency may adopt at any time or from time to time a Supplemental Indenture for any one or more of the following purposes without notification to or consent of the Bondholders, and any such Supplemental Indenture

shall become effective in accordance with its terms upon the filing with the Trustee of a copy thereof certified by an Authorized Officer:

(1) to close the Master Indenture against, or provide limitations and restrictions in addition to the limitations and restrictions contained in the Master Indenture on, the authentication and delivery of Obligations or the issuance of other evidences of indebtedness;

(2) to add to the covenants and agreements of the Agency in the Master Indenture other covenants and agreements to be observed by the Agency which are not contrary to or inconsistent with the Master Indenture as theretofore in effect;

(3) to add to the limitations and restrictions in the Master Indenture other limitations and restrictions to be observed by the Agency which are not contrary to or inconsistent with the Master Indenture as then in effect;

(4) to surrender any right, power or privilege reserved to or conferred upon the Agency by the terms of the Master Indenture, but only if the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Agency contained in the Master Indenture;

(5) to confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, the Master Indenture, of the Revenues or of any other revenues or assets;

(6) to modify any of the provisions of the Master Indenture in any respect whatever, but only if (i) such modification shall be, and be expressed to be, effective only after all Obligations Outstanding at the date of the adoption of such Supplemental Indenture shall cease to be Outstanding, and (ii) such Supplemental Indenture shall be specifically referred to in the text of all Obligations authenticated and delivered after the date of the adoption of such Supplemental Indenture and of Obligations issued in exchange therefor or in place thereof;

(7) to authorize the issuance of a Series of Obligations in accordance with the Master Indenture and to prescribe the terms and conditions thereof and any additional terms and conditions upon which such Series of Obligations may be issued;

(8) to comply with regulations or rulings issued with respect to the Code to the extent determined as necessary or desirable in Bond Counsel's opinion;

(9) to pledge under the Master Indenture any additional collateral as further security for the Obligations or specific Series of Obligations, including, but not limited to, additional Loans, Mortgage-Backed Securities or other assets or revenues;

(10) to modify or supplement the definition of Investment Securities, provided that any such modification shall not result in a reduction or withdrawal of the then existing ratings on the Obligations of a Series by the Rating Agency; and

(11) to make any additions, deletions or modifications to the Master Indenture as long as the additions, deletions or modifications, as the case may be, will not, in and of themselves, result in a reduction or withdrawal of the then existing ratings on the Outstanding Obligations of a Series by the Rating Agency.

Amendments other than as set forth in the preceding paragraph may be made with the written consent of the holders of (a) at least a majority amount of the applicable Obligations Outstanding at the time such consent is given and (b) in case less than all of the Obligations then Outstanding are affected by the modification or amendment, of the owners of at least a majority in principal amount of the Obligations so affected and Outstanding at the time such consent is given. No such amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Obligation or of any installment of interest thereon or a reduction in the principal amount or Redemption Price thereof, or in the rate of interest thereon without the consent of the owner of such Obligation or shall reduce the percentages or otherwise affect the classes of Obligations the consent of the owners of

which is required to effect such amendment or shall change or modify any of the rights or obligations of the Trustee without its assent thereto.

## **Defeasance**

If the Agency shall pay or cause to be paid to the owners of all Obligations then Outstanding of a particular Series the principal and interest and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated therein and in the Master Indenture and the applicable Supplemental Indenture, then the pledge of any Revenues and other monies, securities, funds and property pledged by the Master Indenture and under the applicable Supplemental Indenture and all other rights granted by the Master Indenture and by the applicable Supplemental Indenture shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the Agency, execute and deliver to the Agency all such instruments as may be desirable to evidence such discharge and satisfaction and the Trustee shall pay over or deliver to the Agency all monies or securities held by it pursuant to the Master Indenture and the applicable Supplemental Indenture which are not required for the payment or redemption of Obligations not theretofore surrendered for such payment or redemption.

Obligations or interest installments for the payment or redemption of which monies, Government Obligations or other obligations described in clause (c) in this paragraph shall have been set aside and shall be held in trust by the Trustee (through deposit by the Agency of funds for such payment or redemption or otherwise) at the maturity or Redemption Date thereof shall be deemed to have been paid within the meaning and with the effect expressed in the paragraph immediately above under "APPENDIX A – SUMMARY OF MASTER INDENTURE – Defeasance." Except as otherwise provided in a Supplemental Indenture authorizing the issuance of a Series of Obligations, all Outstanding Obligations of any Series shall, prior to the maturity or Redemption Date thereof, be deemed to have been paid within the meaning and with the effect expressed in the paragraph immediately above under "APPENDIX A – SUMMARY OF MASTER INDENTURE – Defeasance" if: (i) in case any of said Series of Obligations are to be redeemed on any date prior to their maturity, the Agency shall have given to the Trustee in form satisfactory to it irrevocable instructions to give as provided in the Master Indenture notice of redemption on said date of such Obligations, (ii) there shall have been set aside and shall be held in trust by the Trustee (through deposit by the Agency of funds for such payment or redemption or otherwise) either (a) monies in an amount which shall be sufficient, or (b) Government Obligations or (c) obligations (1) validly issued by or on behalf of a state or political subdivision thereof, (2) the interest on which is excluded from gross income for Federal income taxation purposes pursuant to Section 103(a) of the Code and (3) fully secured by a first lien on Government Obligations, the principal of and the interest on which when due will provide monies which, together with the monies, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or Redemption Price, if any, of and interest due and to become due on said Series of Obligations on and prior to the Redemption Date or maturity date thereof, as the case may be (the sources in clauses (a)-(c) of this sentence are referred to individually and collectively as the "Defeasance Collateral"); provided that the Agency shall have right to request the delivery of a verification report prepared by an Accountant verifying the sufficiency of the Defeasance Collateral to make such payments, and (iii) in the event said Series of Obligations are not by their terms subject to redemption within the next succeeding sixty days, the Agency shall have given the Trustee in form satisfactory to it irrevocable instructions to give by mail, as soon as practicable, notice to the owners of such Series of Obligations that the deposit required by this subsection has been made with the Trustee and that said Series of Obligations are deemed to have been paid in accordance with this paragraph and stating such maturity or Redemption Date upon which monies are to be available for the payment of the principal or Redemption Price, if any, on said Series of Obligations. To the extent required for the payment of the principal or Redemption Price, if applicable, of and interest on said Series of Obligations, neither monies deposited with the Trustee pursuant to this paragraph nor principal or interest payments on any such Government Obligations or obligations described in clause (c) above and deposited with the Trustee pursuant to this paragraph shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if any, of and interest on said Series of Obligations; provided that any cash received from such principal or interest payments on such Government Obligations or obligations described in clause (c) above and deposited with the Trustee pursuant to this paragraph, if not then needed for such purpose, shall, to the extent practicable, be reinvested in obligations described in clauses (b) or (c) above maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if any, of and interest to become due on said Series of Obligations on and prior to such Redemption Date or maturity date thereof, as the case may be, and, if not required for the payment of such Obligations, any monies deposited with the Trustee pursuant to this paragraph and principal and interest payments on the obligations described in clauses (b) or (c) above shall be paid

over to the Agency, as received by the Trustee, free and clear of any trust, lien or pledge. The Trustee may sell, transfer or otherwise dispose of the obligations described in clauses (b) and (c) above deposited with the Trustee pursuant to this paragraph at the direction of the Agency; provided that the amounts received upon any such sale, transfer or other disposition, or a portion of such amounts, shall be applied to the purchase of other obligations described in clauses (b) and (c) above, the principal of and the interest on which when due will provide monies which, together with the monies on deposit with the Trustee, shall be sufficient to pay when due the principal or Redemption Price, if applicable, of and interest due and to become due on said Obligations on and prior to the Redemption Date or maturity date thereof, as the case may be, in accordance with this paragraph. At the election of the Agency, the monies, Government Obligations or other obligations described in clause (c) above may be held by an escrow agent in trust for the benefit of the owners of the applicable Series of Obligations for which such monies, Government Obligations or other obligations described in clause (c) above are being held, in which case references in the Master Indenture to amounts held by the Trustee shall include amounts held by such escrow agent.

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**FORM OF SERIES 2017 INDENTURE**

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SUPPLEMENTAL TRUST INDENTURE

by and between

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

and

U.S. BANK NATIONAL ASSOCIATION

Dated as of August 1, 2017

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FHA-Insured Pass-Through Revenue Refunding Bonds  
(Multi-Family Development Program)  
Series 2017 (Federally Taxable)

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**MULTI-FAMILY DEVELOPMENT PROGRAM  
SUPPLEMENTAL TRUST INDENTURE**

THIS SUPPLEMENTAL TRUST INDENTURE (this “Series 2017 Indenture”) is made and entered into as of August 1, 2017, by and between District of Columbia Housing Finance Agency, a corporate body and an instrumentality of the District of Columbia (together with any successors and assigns and any surviving, resulting or transferee entity, the “Agency”), and U.S. Bank National Association, a national banking association duly organized and validly existing under the laws of the United States of America, having a principal corporate trust office in Richmond, Virginia, and authorized to accept and execute trusts of the character herein set out in the District of Columbia, as trustee (together with any successors and assigns and any surviving, resulting or transferee entity, the “Trustee”).

**RECITALS**

WHEREAS, the Agency is duly created and existing pursuant to the laws of the District of Columbia, including specifically the District of Columbia Housing Finance Agency Act (Chapter 27 of Title 42 of the District of Columbia Code, as amended) (the “Act”), and the Agency is authorized to enter into this Series 2017 Indenture and do or cause to be done all the acts and things herein provided or required to be done; and

WHEREAS, as of August 1, 2017, the Agency and the Trustee entered into a Master Trust Indenture for its Multi-Family Development Program (the “Master Indenture”); and

WHEREAS, the execution and delivery of this Series 2017 Indenture, subject to the terms hereof, have in all respects been duly authorized by the Agency and the Trustee;

WHEREAS, the Trustee has trust powers and the power and authority to enter into this Series 2017 Indenture, to accept trusts generally and to accept and execute the trust created by this Series 2017 Indenture; the Trustee has accepted the trust so created and, to evidence such acceptance, has joined in the execution of this Series 2017 Indenture;

WHEREAS, it is deemed necessary and advisable to issue a Series of Multi-Family Development Program Bonds of the Agency, designated “FHA-Insured Pass-Through Revenue Refunding Bonds (Multi-Family Development Program) Series 2017 (Federally Taxable),” in the aggregate principal amount of \$34,444,074, in order to refund and redeem certain Prior Bonds (hereinafter defined), upon the terms and conditions hereinafter provided;

**NOW, THEREFORE, THIS SERIES 2017 INDENTURE WITNESSETH, AS FOLLOWS:**

**ARTICLE I**

**AUTHORITY AND DEFINITIONS**

**Section 1.01. Authority for Execution and Delivery.** This Series 2017 Indenture is executed and delivered in accordance with Article II and Article VIII of the Master Indenture and pursuant to the authority contained in the Act.

**Section 1.02. Definitions.** Unless otherwise provided herein, all terms which are defined in Section 1.2 of the Master Indenture shall have the same meanings, respectively, in this Series 2017 Indenture.

In addition, for the purposes of this Series 2017 Indenture the following terms shall have the meanings set forth below:

“*Act*” has the meaning in the Recitals hereto.

“*Administrative Expense Fund*” means the Administrative Expense Fund established pursuant to Section 5.02 hereof.

“*Administrative Expenses*” means the Agency’s expenses incurred for issuing and carrying Bonds and for carrying on the loan programs funded with the proceeds of Bonds, including the following: (i) fees and expenses (a) in connection with Permitted Investments relating to monies held under this Series 2017 Indenture and (b) for any other necessary expenses directly related to carrying Bonds; (ii) the Trustee Fee; (iii) fees, rebates or other amounts owed to governmental entities; (iv) the Dissemination Agent Fee and (v) Servicing Fees.

“*Affiliate*” as applied to any person, means any other person directly or indirectly controlling, controlled by, or under common control with, that person. For the purposes of this definition, “control” (including with correlative meanings, the terms “controlling”, “controlled by” and “under common control with”), as applied to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that person, whether through the ownership of voting securities, partnership interests or by contract or otherwise.

“*Authorized Denominations*” means, with respect to the Series 2017 Bonds, \$1.00 and any integral multiple thereof.

“*Authorizing Resolution*” means the resolution of the Agency dated July 25, 2017, authorizing the issuance and sale of the Series 2017 Bonds, the execution and delivery of the Bond Documents and such other matters related to the Series 2017 Bonds as set forth therein.

“*Available Moneys*” means, as of any date of determination, any of (i) the proceeds of the Series 2017 Bonds, (ii) any other amounts, including the proceeds of refunding bonds, for which, in each case, the Trustee has received an Opinion of Counsel to the effect that the use of such amounts to make payments on the Series 2017 Bonds would not violate Section 362(a) of the Bankruptcy Code (or that relief from the automatic stay provisions of such Section 362(a) would be available from the bankruptcy court) or be avoidable as preferential payments under Section 544, 547 or 550 of the Bankruptcy Code should the Agency become a debtor in proceedings commenced under the Bankruptcy Code; and (iii) Investment Income derived from the investment of moneys described in clause (i) or (ii).

“*Bankruptcy Code*” means Title 11 of the United States Code entitled “Bankruptcy,” as in effect now and in the future, or any successor statute.

“*Bond Counsel*” means (i) on the Closing Date, the law firm or law firms delivering the approving opinion(s) with respect to the Series 2017 Bonds or (ii) after the Closing Date, any law firm selected by the Agency, of nationally recognized standing in matters pertaining to the exclusion from gross income for federal income tax purposes of the interest payable on bonds issued by states and political subdivisions.

“*Bond Documents*” means the Series 2017 Bonds, the Bond Purchase Agreement, the Master Indenture, this Series 2017 Indenture, and all other documents, instruments and agreements executed and delivered in connection with the issuance, sale, and delivery of the Series 2017 Bonds, as each such agreement or instrument may be amended, supplemented or restated from time to time.

“*Bond Proceeds Account*” means the Series 2017 Bond Proceeds Account established pursuant to Section 5.02 hereof.

“*Bond Purchase Agreement*” means the Bond Purchase Agreement, dated August 10, 2017, between the Underwriter and the Agency.

“*Borrowers*” means the owners of the Projects financed with the Prior Bonds.

“*Closing Date*” means the date on which the Series 2017 Bonds are issued and delivered to or upon the order of the Underwriter.

“*Confirmation*” means a letter or other evidence from each Rating Agency then rating the Series 2017 Bonds confirming that the action proposed to be taken will not, in and of itself, result in a lowering, suspension, or withdrawal of the ratings then applicable to the Series 2017 Bonds.

“*Costs of Issuance Account*” means the account by that name established pursuant to Section 5.02 hereof.

“*Debt Service Fund*” means the Series 2017 Debt Service Fund established pursuant to Section 5.02 hereof.

“*Debt Service Reserve Fund*” means the Series 2017 Debt Service Reserve Fund established pursuant to Section 5.02 hereof.

“*Debt Service Reserve Fund Requirement*” means an amount equal to one half of the maximum amount of principal and interest due in the current calendar year or any future calendar year with respect to the Series 2017 Bonds.

“*Dissemination Agent*” means Digital Assurance Certification, LLC, its successors and assigns.

“*Dissemination Agent Fee*” means the annual fee of the Dissemination Agent.

“*Electronic Means*” means an electronic mail, facsimile transmission or any other electronic means of communication approved in writing by the Agency.

“*Escrow Fund*” means the Escrow Fund created pursuant to Section 5.02 hereof.

“*Federal Insurance*” means insurance of a Mortgage Loan by HUD under Section 542(c) of the Housing and Community Development Act of 1992, as amended and the regulations promulgated thereunder or under any section of the National Housing Act, as amended, that provides for payment of insurance claims in cash at least equal to the amounts permitted under the above referred to section of the Housing and Community Development Act.

“*Financing Agreement*” means each Financing and Regulatory Agreement, executed in connection with the issuance of the Prior Bonds, by and between the Agency and the applicable Borrower.

“*Interest Payment Date*” means the first day of each calendar month, commencing October 1, 2017, any Redemption Date, and the Maturity Date.

“*Investment*” means any Permitted Investment and any other investment held under this Series 2017 Indenture that does not constitute a Permitted Investment.

“*Investment Income*” means the earnings, profits and accreted value derived from the investment of moneys pursuant to Article VI.

“*Letter of Representations*” means the Letter of Representations executed by the Agency and the Trustee and delivered to the Securities Depository, as amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.

“*Loan Documents*” means, collectively, the applicable Mortgage Note, Mortgage, loan or financing agreement (together with any other agreement relating to rental restrictions on the Project) and all other documents, agreements and instruments evidencing, securing or otherwise relating to each of the Mortgage Loans, as each such document, agreement or instrument may be amended, supplemented or restated from time to time.

“*Loan Fund*” means the Series 2017 Loan Fund established pursuant to Section 5.02 hereof.

“*Loan Payment Enhancement Facility*” means “Credit Enhancement” as defined in the Master Indenture, which agreement or arrangement provides for the availability, at the time required pursuant to the provisions of this

Series 2017 Indenture, of an amount at least equal to such portion of the Debt Service Reserve Fund Requirement being so funded and such method of funding shall be deemed to satisfy all provisions of this Series 2017 Indenture with respect to the Debt Service Reserve Fund Requirement and the amounts required to be on deposit in the Debt Service Reserve Fund.

“*Maturity Date*” means March 1, 2049.

“*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 the Agency, as assigns credit ratings.

“*Mortgage Loans*” or “*Loans*” means the loans made by the Agency to the Borrowers from the proceeds of the Prior Bonds.

“*Mortgage Notes*” means the deed of trust promissory notes from the Borrowers to the Agency evidencing the obligation of the Borrowers to repay the applicable Mortgage Loans financed with the proceeds of the Prior Bonds.

“*Mortgage Repayments*” means the amounts paid or required to be paid from time to time for principal and interest by or on behalf of a Mortgagor on a Mortgage Loan for a Permanently Financed Project, pursuant to the applicable Mortgage.

“*Mortgages*” means the first lien leasehold deeds of trust executed to secure payment obligation under the Mortgage Loans.

“*MSRB*” means the Municipal Securities Rulemaking Board, the current required method of filing of which is electronically via its Electronic Municipal Market Access (EMMA) system available at <http://emma.msrb.org>.

“*Opinion of Counsel*” means a written opinion of legal counsel, acceptable to the recipient(s) of such opinion. If the opinion is with respect to an interpretation of federal tax laws or regulations or bankruptcy matters, such legal counsel also must be an attorney or firm of attorneys experienced in such matters.

“*Permanently Financed Project*” means a Project with respect to which the Agency shall have issued Bonds and applied all or part of the proceeds thereof to the making of a Mortgage Loan or to the refunding and retirement of Notes or refunding of bonds or other obligations issued to make or fund such Mortgage Loan.

“*Permitted Investments*” has the meaning assigned to “Investment Securities” as set forth in the Master Indenture.

“*Prepayment*” means, with respect to any Mortgage Loan, any moneys received or recovered by or for the account of the Agency from any payment of or with respect to the principal and/or interest (including any applicable penalty, fee, premium or other additional charge for prepayment of principal which may be provided by the terms of a Mortgage Loan, but excluding any Servicing Fees with respect to the collection of such moneys) on any Loan prior to the scheduled payment of such principal and/or interest as called for by such Mortgage Loan, whether (a) by voluntary prepayment made by the Borrowers, (b) as a consequence of the damage, destruction or condemnation of the mortgaged premises or any part thereof, (c) by the sale, assignment, endorsement or other disposition of such Mortgage Loan or any part thereof by the Agency or (d) in the event of a default thereon by a Borrower, by the acceleration, sale, assignment, endorsement or other disposition of such Mortgage Loan by the Agency or by any other proceedings taken by the Agency, including, but not limited to, recovery of Federal Insurance proceeds.

“*Prior Bonds*” means the Agency’s FHA-Insured Multifamily Housing Revenue Bonds as set forth on Exhibit B hereof.

“*Prior Resolutions*” means, collectively, the General Resolution adopted by the Agency on July 29, 1997, as supplemented and amended by a Supplemental Resolution thereto adopted December 14, 1999, and the series resolutions adopted by the Agency in connection with the issuance of each series of Prior Bonds.

“*Prior Trustee*” means U.S. Bank National Association, a national banking association, as successor trustee to SunTrust Bank, in its capacity as trustee for the Prior Bonds.

“*Projects*” means the projects financed with the proceeds of the Prior Bonds.

“*Rating Agency*” means any “Rating Agency” as defined in the Master Indenture maintaining a rating on the Series 2017 Bonds.

“*Record Date*” means the 1<sup>st</sup> day of the month in which interest is due and payable on the Series 2017 Bonds.

“*Redemption Account*” means the Series 2017 Redemption Account established pursuant to Section 5.02 hereof.

“*Redemption Date*” means any date upon which the Series 2017 Bonds are to be redeemed pursuant to this Series 2017 Indenture.

“*Redemption Price*” means the principal of, redemption premium, if any, and accrued interest on the Series 2017 Bonds due on a Redemption Date.

“*Revenue Fund*” means the Series 2017 Revenue Fund established pursuant to Section 5.02 hereof.

“*Revenues*” means all (i) Mortgage Repayments, Prepayments and, except insofar as such payments may constitute Servicing Fees, any penalty payments on account of overdue Mortgage Repayments, (ii) Investment Income and (iii) all other payments and receipts received by the Agency with respect to Mortgage Loans, but shall not include (a) Servicing Fees, unless such fees are specifically pledged to the Trustee, or (b) any commitment, reservation, extension or application fees charged by the Agency in connection with a Mortgage Loan, or (c) accrued interest received in connection with the purchase of any Investments, or (d) amounts collected with respect to Mortgage Loans representing housing assistance payments under any applicable agreement with the U.S. Department of Housing and Urban Development.

“*Securities Depository*” means, initially, The Depository Trust Company, New York, New York, and its successors and assigns, and any replacement securities depository appointed under this Series 2017 Indenture.

“*Series 2017 Bonds*” has the meaning set forth in the Recitals hereto.

“*Servicer*” means a state-chartered bank or national banking association, state or federal savings and loan association or mortgage banking or other financial institution which has been approved by the Agency as experienced and qualified to service Mortgage Loans, and any successor thereto.

“*Servicing Agreement*” means an agreement between the Agency and a Servicer for the servicing of Mortgage Loans.

“*Servicing Fees*” means (a) any fees paid to or retained by a Servicer in connection with the servicing obligations undertaken by the Servicer in accordance with a Servicing Agreement and (b) any fees retained by or expenses reimbursed to the Agency with respect to Mortgage Loans serviced by the Agency.

“*Transaction Documents*” means the Bond Documents and the Loan Documents.

“Trustee” means U.S. Bank National Association, with corporate trust offices in Richmond, Virginia, a national banking association and its successor or successors and any other commercial bank, trust company or national banking association at any time substituted in its place pursuant to the Master Indenture.

“Trustee Fee” means the Trustee’s acceptance fee of \$1,500, payable on the Closing Date, the annual fee of the Trustee in the amount of \$2,500, payable annually in advance on the Closing Date and thereafter on each August 1, commencing on August 1, 2018, and expenses of the Trustee payable at cost, in an aggregate amount not to exceed \$350 annually, with respect to the Series 2017 Bonds, so long as any of the Series 2017 Bonds are Outstanding.

“Unassigned Rights of the Agency” has the meaning set forth in the Loan Documents executed in connection with the related Mortgage Loans.

“Underwriter” means Jefferies LLC.

## ARTICLE II

### AUTHORIZATION OF SERIES 2017 BONDS

**Section 2.01. Principal Amount, Designation and Form.** Pursuant to the provisions of the Master Indenture, a series of Bonds entitled to the benefit, protection and security of such provisions is hereby authorized. The Series 2017 Bonds will be authorized in the aggregate principal amount not exceeding \$34,444,074. Such Bonds shall be designated as, and shall be distinguished from the bonds of all other Series by the title, “FHA-Insured Pass-Through Revenue Refunding Bonds (Multi-Family Development Program) Series 2017 (Federally Taxable).” The Series 2017 Bonds will be issued only as fully registered Bonds.

**Section 2.02. Purposes; Non-Parity Obligations.** The Series 2017 Bonds are being issued for the purpose of crediting moneys to the Bond Proceeds Account to provide moneys to refund the Prior Bonds and thereby provide funds (i) to pay into the Debt Service Reserve Fund an amount which will be at least equal to the Debt Service Reserve Fund Requirement and (ii) to deposit into other funds and accounts the amounts specified in Article III hereof.

The Series 2017 Bonds are issued as “Non-Parity Obligations” under and in accordance with Section 2.8 of the Master Indenture. Payment of the Series 2017 Bonds is secured by the pledge of funds and accounts hereunder, which shall be held separate and distinct from the pledge securing Parity Obligations, and upon the terms and conditions set forth herein. The Series 2017 Bonds (a) shall be secured solely by the Revenues pledged under this Series 2017 Indenture, and (b) except for amounts that are transferred free and clear of lien of the Master Indenture to the extent permitted thereunder, shall not be secured by any other moneys, funds or accounts held under the Master Indenture. Revenues pledged under this Series 2017 Indenture shall not constitute security for or a source of payment of any other Series of Obligations or other Non-Parity Obligations outstanding or hereafter issued under or entered into in accordance with the Master Indenture.

**Section 2.03. Dates, Maturities and Interest Rates of Series 2017 Bonds.** The Series 2017 Bonds shall be dated August 17, 2017, subject to the provisions of the Master Indenture and shall mature on the date, in the principal amount and shall bear interest at the rate per annum as follows:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
March 1, 2049	\$34,444,074	3.236%

In accordance with Section 2.6(A)(1) of the Master Indenture, the Series 2017 Bonds maturing March 1, 2049 are designated as Term Bonds.

**Section 2.04. Interest Payments and Payments of Principal and Redemption Price.** The Series 2017 Bonds shall bear interest from the date of issuance and authentication thereof, payable on each Interest Payment

Date. Interest on the Series 2017 Bonds will be calculated on the basis of a 360-day year comprised of twelve 30-day months. The interest and Redemption Price on the Series 2017 Bonds shall be payable to the Holder by check or draft mailed to such Holder's address appearing on the Record Date on the registration books of the Agency held by the Trustee on the first day of the month preceding the date on which interest is due and payable on the Series 2017 Bonds, or upon the written request of a registered owner of at least \$1,000,000 in principal amount of Bonds Outstanding, by wire transfer in immediately available funds to an account designated by such registered owner, which request will be effective for all dates on which interest is due until such notice is canceled by the registered owner. If the date of payment of principal of, premium, if any, or interest on the Series 2017 Bonds shall not be a Business Day, then such payment may be made on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided for such payment.

**Section 2.05. Denominations, Numbers and Letters.** The Series 2017 Bonds shall be issued in Authorized Denominations, not exceeding the aggregate principal amount of the Series 2017 Bonds maturing on the Maturity Date of the Series 2017 Bonds. The Series 2017 Bonds shall be numbered from R-1 upward.

At the direction of the Agency, "CUSIP" identification numbers will be imprinted on the Series 2017 Bonds, but such numbers shall not constitute a part of the contract evidenced by the Series 2017 Bonds and any error or omission with respect thereto shall not constitute cause for refusal of any purchaser to accept delivery of and pay for the Series 2017 Bonds. In addition, failure on the part of the Agency to use such CUSIP numbers in any notice to Holders of the Series 2017 Bonds shall not constitute an event of default or any similar violation of the Agency's contract with such Holders.

**Section 2.06. Book Entry System.** (1) Except as provided in subparagraph 3 of this Section 2.06, the registered owner of all of the Series 2017 Bonds shall be, and the Series 2017 Bonds shall be registered in the name of, Cede & Co. ("Cede"), as nominee of The Depository Trust Company ("DTC"). Payment of monthly interest for any Series 2017 Bonds shall be made by transfer of same-day funds to the account of Cede on the interest payment date for the Series 2017 Bonds at the address indicated for Cede in the registration books of the Agency kept by the Trustee.

(2) The Series 2017 Bonds shall be initially issued in the form of a separate single fully registered bond in the amount of the stated maturity of the Series 2017 Bonds. Upon initial issuance, the ownership of such Series 2017 Bonds shall be registered in the registry books of the Agency kept by the Trustee in the name of Cede, as nominee of DTC. With respect to Series 2017 Bonds registered in the registry books kept by the Trustee in the name of Cede, as nominee of DTC, the Agency and the Trustee shall have no responsibility or obligation to any participant of DTC (a "Participant") or to any person for whom a Participant acquires an interest in Series 2017 Bonds (a "Beneficial Owner"). Without limiting the immediately preceding sentence, the Agency and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any Participant with respect to any ownership interest in the Series 2017 Bonds, (ii) the delivery to any Participant, any Beneficial Owner or any other person, other than DTC, of any notice with respect to the Series 2017 Bonds, including any notice of redemption, or (iii) the payment to any Participant, any Beneficial Owner or any other person, other than DTC, of any amount with respect to the principal of, premium, if any, or interest on the Series 2017 Bonds. The Agency and the Trustee may treat as and deem DTC to be the absolute owner of each Series 2017 Bond for the purpose of payment of the principal of, premium, if any, and interest on such Series 2017 Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2017 Bond, for the purpose of registering transfers with respect to such Series 2017 Bond, and for all other purposes whatsoever. The Trustee shall pay all principal of, and interest on the Series 2017 Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Agency's obligations with respect to the principal of, premium, if any, and interest on the Series 2017 Bonds to the extent of the sum or sums so paid. Payments of principal may be made without requiring the surrender of the Series 2017 Bonds, and the Agency and the Trustee shall not be liable for the failure of DTC or any successor thereto to properly indicate on the Series 2017 Bonds the payment of such principal. No person other than DTC shall receive a Series 2017 Bond evidencing the obligation of the Agency to make payments of principal of, premium, if any, and interest on the Series 2017 Bonds pursuant to this Series 2017 Indenture. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the transfer provisions hereof, the word "Cede" in this Series 2017 Indenture shall refer to such new nominee of DTC.



(3) (a) DTC may determine to discontinue providing its services with respect to the Series 2017 Bonds at any time by giving written notice to the Agency and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is not a successor securities depository), Series 2017 Bond certificates will be delivered as described in the Master Indenture.

(b) The Agency, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Series 2017 Bonds if the Agency determines that: (i) DTC is unable to discharge its responsibilities with respect to the Series 2017 Bonds or (ii) a continuation of the requirement that all of the Outstanding Series 2017 Bonds be registered in the registration books kept by the Trustee in the name of Cede, as nominee of DTC, is not in the best interest of the Beneficial Owners of the Series 2017 Bonds. In the event that no substitute securities depository is found by the Agency, or restricted registration is no longer in effect, Series 2017 Bond certificates will be delivered to the Trustee.

(c) Upon the termination of the services of DTC with respect to the Series 2017 Bonds pursuant to subparagraph (3)(b)(ii) of this Section 2.06, or upon the discontinuance or termination of the services of DTC with respect to the Series 2017 Bonds pursuant to subparagraph (3)(a) or subparagraph (3)(b)(i) of this Section 2.06 after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the Agency, is willing and able to undertake such functions upon reasonable and customary terms, the Series 2017 Bonds shall no longer be restricted to being registered in the registration books kept by the Trustee in the name of Cede as nominee of DTC, but may be registered in whatever name or names Bondholders transferring or exchanging Series 2017 Bonds shall designate.

(4) Notwithstanding any other provision of this Series 2017 Indenture to the contrary, so long as any Series 2017 Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to the principal of, premium, if any, and interest on such Series 2017 Bond and all notices with respect to such Series 2017 Bond shall be made and given, respectively, to DTC as provided in the applicable Letter of Representations addressed to DTC.

(5) In connection with any notice or other communication to be provided to the Bondholders pursuant to this Series 2017 Indenture by the Agency or the Trustee with respect to any consent or other action to be taken by the Bondholders, the Agency or the Trustee, as the case may be, shall establish a special record date for such consent or other action and give DTC notice of such special record date not less than 15 calendar days in advance of such special record date to the extent possible.

**Section 2.07. Condition of Issuance.** The Agency shall execute and deliver to the Trustee, and the Trustee shall authenticate, the Series 2017 Bonds and deliver them to or for the account of the Underwriter or to such persons as the Underwriter specifies, in each case in the records of DTC, provided, however, that prior to delivery of the Series 2017 Bonds to the Underwriter each of the following must be delivered to the Trustee:

- (a) a certified copy of the Authorizing Resolution;
- (b) executed original counterparts of the Transaction Documents and all other agreements, documents and instruments to be executed and delivered on the Closing Date by the parties to those agreements, documents and instruments;
- (c) an opinion of Bond Counsel to the effect that the Series 2017 Bonds have been duly and validly authorized, issued and delivered and constitute valid and binding obligations of the Agency, enforceable against the Agency in accordance with their terms, and that the Agency has the power to enter into the Bond Documents to which it is a party and each of the Bond Documents to which the Agency is a party has been duly and validly authorized, executed and delivered by the Agency and each constitutes the legal, valid and binding obligation of the Agency, enforceable against the Agency in accordance with its terms, subject to customary qualifications on enforceability;

- (d) a written request and authorization by an Authorized Officer of the Agency to the Trustee to authenticate and deliver the Series 2017 Bonds to or for the account of the Underwriter upon receipt from the Underwriter of \$34,444,074;
- (e) receipt from the Underwriter or purchasers of the Series 2017 Bonds of \$34,444,074;
- (f) delivery of executed copies of the Loan Documents; and
- (g) written evidence that the Series 2017 Bonds have been assigned a rating of “Aaa” by Moody’s.

### **ARTICLE III**

#### **REDEMPTION OF SERIES 2017 BONDS**

**Section 3.01. Redemption.** The Series 2017 Bonds are subject to redemption prior to maturity only as set forth in this Article III. All redemptions must be in Authorized Denominations.

**Section 3.02. Special Optional Redemption.** The Series 2017 Bonds are subject to special optional redemption in whole on any Interest Payment Date on and after the date on which the outstanding principal amount of the Series 2017 Bonds is less than 10% of the original principal amount thereof, at a Redemption Price equal to 100% of the principal amount thereof, without premium, plus accrued interest to the Redemption Date.

**Section 3.03. Mandatory Redemption.** (a) Except as provided in Section 3.03(b) below, the Series 2017 Bonds are subject to mandatory redemption in whole or in part, on each Interest Payment Date, beginning on October 1, 2017, at a Redemption Price equal to 100% of the principal amount of the Series 2017 Bonds to be redeemed, without premium, in an amount equal to all principal of Prepayments and Mortgage Repayments related to the Mortgage Loans received by or on behalf of the Agency on or before the last day of the immediately preceding calendar month, and the Trustee shall transfer such amount from the Revenue Fund to the Redemption Account pursuant to Section 5.08 hereof.

(b) To the extent permitted by law, including applicable HUD regulations, while the Series 2017 Bonds are outstanding, the Agency agrees to name the Trustee as payee with respect to any and all claims for Federal Insurance proceeds relating to the Mortgage Loans financed with the proceeds of the Prior Bonds. All Prepayments received by the Trustee, constituting any such Federal Insurance proceeds, shall be applied to the mandatory redemption of the Series 2017 Bonds on the next Interest Payment occurring not later than 30 days following such receipt by the Trustee.

#### **Section 3.04. Notice of Redemption to Registered Owners.**

- (f) Notice Requirement. For any special optional redemption of Series 2017 Bonds pursuant to Section 3.02, the Trustee shall give notice of redemption by Electronic Means, first class mail, postage prepaid, not more than sixty (60) days nor less than twenty (20) days prior to the specified Redemption Date, to the Registered Owner of each Series 2017 Bond, or portions thereof, to be redeemed at the address of such Registered Owner as shown on the Bond Register. With respect to Book-Entry Bonds, if the Trustee sends notice of redemption to the Securities Depository pursuant to the Letter of Representations, the Trustee shall not be required to give the notice set forth in the immediately preceding sentence. In the case of a special optional redemption under Section 3.02, the notice of redemption may state that it is conditioned upon receipt by the Trustee of sufficient moneys to redeem the Series 2017 Bonds including Available Moneys to pay any redemption premium in full (“Conditional Redemption”), and such notice and special optional redemption shall be of no effect if by no later than the scheduled Redemption Date, sufficient moneys to redeem the Series 2017 Bonds and sufficient Available Moneys to pay any redemption premium have not been deposited with the Trustee, or, if such moneys are deposited, are not available. The Trustee shall cause a second notice of redemption to be sent by first class mail, postage prepaid, on or within ten days after the 30<sup>th</sup> day after the Redemption Date to any Bondholder who has not submitted its Bond to the Trustee for payment.

Receipt of notice under this section shall not be a condition precedent to redemption of the Series 2017 Bonds, and failure so to receive any such notice by any of such registered owners shall not affect the validity or the proceedings for the redemption of any Bonds. The Trustee shall provide copies of all notices given under this Section and of all revocations of notices to the Agency at the same time it gives notices to Bondholders.

*Notwithstanding anything to contrary herein, no notice of mandatory redemption pursuant to Section 3.03 hereof shall be required.*

(b) Content of Notice. Each notice of special optional redemption must state: (i) the date of the redemption notice; (ii) the complete official name of the Series 2017 Bonds, including the series designation; (iii) for each Series 2017 Bond to be redeemed, the interest rate and maturity date; (iv) the CUSIP numbers of all Series 2017 Bonds being redeemed; (v) the place or places where the Series 2017 Bonds to be redeemed must be surrendered for payment and where amounts due upon such redemption will be payable upon surrender of the Series 2017 Bonds to be redeemed; (vi) the Redemption Date and Redemption Price of each Series 2017 Bond to be redeemed; (vii) the name, address, telephone number and contact person at the office of the Trustee with respect to such redemption; (viii) that interest on all Series 2017 Bonds to be redeemed will not accrue from and after the Redemption Date; and (ix) if a redemption is a Conditional Redemption, that redemption is conditional upon receipt by the Trustee of sufficient moneys to redeem the Series 2017 Bonds including Available Moneys to pay any redemption premium.

(c) Additional Notice. At the same time notice of redemption is sent to the registered owners of the Series 2017 Bonds, the Trustee shall send notice of redemption by Electronic Means, first class mail, overnight delivery service or other overnight means, postage or service prepaid (i) to the Rating Agency and (ii) the MSRB.

(d) Validity of Proceedings for the Redemption of Series 2017 Bonds. If notice is given as stated in subsection (a), failure of any Bondholder to receive such notice, or any defect in the notice, shall not affect the redemption or the validity of the proceedings for the redemption of the Series 2017 Bonds.

(e) Rescission of Conditional Redemption; Cancellation of Special Optional Redemption. The Trustee shall rescind any Conditional Redemption if the requirements of Section 3.04(a) have not been met on or before the Redemption Date. The Trustee shall give notice of rescission by the same means as is provided in this Section for the giving of notice of redemption or by Electronic Means confirmed in writing. The special optional redemption shall be canceled once the Trustee has given notice of rescission. Any Series 2017 Bonds subject to Conditional Redemption where redemption has been rescinded shall remain Outstanding, and neither the rescission nor the failure of funds being made available in part or in whole on or before the Redemption Date shall constitute an Event of Default.

**Section 3.05. Redemption Payments.** If notice of special optional redemption has been given and the conditions for such redemption, if applicable, have been met, the Series 2017 Bonds called for redemption shall become due and payable on the Redemption Date, interest on those Bonds will cease to accrue from and after the Redemption Date and the called Series 2017 Bonds will no longer be Outstanding. The holders of the Series 2017 Bonds so called for redemption shall thereafter no longer have any security or benefit under this Series 2017 Indenture except to receive payment of the Redemption Price for such Series 2017 Bonds upon surrender of such Series 2017 Bonds to the Trustee. All moneys held by or on behalf of the Trustee for the redemption of particular Series 2017 Bonds will be held in trust for the account of the holders of the Series 2017 Bonds to be redeemed. If less than the entire principal amount of a Series 2017 Bond is called for redemption, the Agency shall execute and the Trustee shall authenticate and deliver, upon the surrender of such bond to the Trustee, without charge by the Agency or the Trustee to the Bondholder, in exchange for the unredeemed principal amount of such Series 2017 Bond, a new Bond or Bonds of the same interest rate, maturity and term, in any Authorized Denomination, in aggregate principal amount equal to the unredeemed balance of the principal amount of the Series 2017 Bond so surrendered.

**Section 3.06. Selection of Bonds to be Redeemed Upon Partial Redemption.** If the Series 2017 Bonds are to be redeemed in part pursuant to Section 3.03 hereof, each of the Series 2017 Bonds then Outstanding shall be redeemed in part, pro rata, in proportion to the Outstanding principal amount of each such Series 2017 Bond to the

aggregate Outstanding principal amount of all Outstanding Bonds. To effect this pro rata redemption while the Series 2017 Bonds are held in the book-entry-only system, such mandatory redemption is to be made as a “Pro-Rata Pass-Through Distribution of Principal” by the Securities Depository.

## ARTICLE IV

### DISPOSITION OF SERIES 2017 BOND PROCEEDS

**Section 4.01. Application of Bond Proceeds and Other Moneys on Delivery Date.** Upon receipt by the Trustee, the proceeds of the Series 2017 Bonds, equal to \$34,444,074, delivered to the Trustee on the Delivery Date, shall be deposited into the Bond Proceeds Account established pursuant to Section 5.02 hereof for immediate transfer to the Prior Trustee to be applied, together with available amounts under the Prior Resolutions, to the refunding and redemption of the Prior Bonds in accordance with the Prior Resolutions.

**Section 4.02. Debt Service Reserve Fund.** Upon delivery of the Series 2017 Bonds, the Agency shall deliver funds of the Agency (the “Agency Funds”) to the Trustee for deposit into the Debt Service Reserve Fund in the amount of \$1,053,032.01. Such amount is not less than the Debt Service Reserve Fund Requirement with respect to the Series 2017 Bonds.

**Section 4.03. Costs of Issuance Account.**

Upon delivery of the Series 2017 Bonds, the Agency shall deliver to the Trustee for deposit into the Costs of Issuance Account (a) Agency Funds in the amount of \$145,177.91 and (b) available funds transferred from the Prior Resolutions in the amount of \$467,558.10 (the “Costs of Issuance Deposit”). The Costs of Issuance Deposit shall be applied to pay the Costs of Issuance with respect to the Series 2017 Bonds in accordance with Section 5.10 hereof.

**Section 4.04. Debt Service Fund.** Upon delivery of the Series 2017 Bonds, the Agency shall deliver Agency Funds to the Trustee for deposit into the Debt Service Fund in the amount of \$43,345.95. Monies so deposited in the Debt Service Fund shall be applied to pay debt service with respect to the Series 2017 Bonds in accordance with Section 5.07 hereof.

**Section 4.05. Application of Accrued Interest.** No accrued interest will be received upon the initial sale of the Series 2017 Bonds.

**Section 4.06. Pledged Funds, No Cross-Collateralization.** Notwithstanding any provision in this or any other Supplemental Indenture, the Master Indenture, or any supplement thereto, and in accordance with the provisions of Section 2.02 hereof, all funds, accounts, and property held by or pledged hereunder to the Trustee for the Series 2017 Bonds shall serve as collateral for the payment of debt service, fees and expenses solely for the Series 2017 Bonds (except such funds and accounts as are specifically excluded by the Series 2017 Indenture), and in no event shall the Trustee sell, transfer, or otherwise dispose of such collateral without the prior written consent of 100% of the holders of the Series 2017 Bonds. No other Supplemental Indenture is or shall be cross-collateralized with this Series 2017 Indenture and a default under any other Supplemental Indenture or the Master Indenture (not related to the Series 2017 Bonds) shall not be the cause of a default under this Series 2017 Indenture.

## ARTICLE V

### FUNDS AND ACCOUNTS

**Section 5.01. Pledge.** To secure the payment of the principal of and interest and any premium on, the Series 2017 Bonds according to their tenor and effect and to secure the performance and observance by the Agency of the covenants expressed or implied in this Series 2017 Indenture and in the Series 2017 Bonds, the Agency absolutely and irrevocably pledges and assigns the property described in the following paragraphs (1) through (6) to the Trustee for the benefit of the Bondholders, subject to the provisions of this Series 2017 Indenture permitting the application of such property for the purposes set forth in this Series 2017 Indenture:

(1) all right, title and interest of the Agency in and to the Loans, including the applicable Mortgage Note, Mortgage and the other Loan Documents, reserving, however, the Unassigned Rights of the Agency;

(2) all rights to receive payments on the applicable Mortgage Note and under the other Loan Documents, including all proceeds of insurance or condemnation awards;

(3) all right, title and interest of the Agency in and to the Revenues, the proceeds of the Series 2017 Bonds and the accrued interest, if any, derived from the sale of the Series 2017 Bonds, and all Funds and Accounts under this Series 2017 Indenture (including, without limitation, moneys, documents, securities, investments, Investment Income, instruments and general intangibles on deposit or otherwise held by the Trustee) but excluding all moneys in the Administrative Expense Fund (including within such exclusion any Investment Income retained in the Administrative Expense Fund), the Costs of Issuance Account (including within such exclusion Investment Income retained in the Costs of Issuance Account) and the Escrow Fund;

(4) all proceeds of mortgage insurance, guaranty benefits and other security or Credit Enhancement related to the Mortgage Loans, including, but not limited to, all proceeds of Federal Insurance received by the Agency relating to the Mortgage Loans;

(5) all funds, moneys and securities and any and all other rights and interests in property, whether tangible or intangible, from time to time conveyed, mortgaged, pledged, assigned or transferred by delivery or by writing of any kind to the Trustee as additional security under this Series 2017 Indenture for the benefit of the Bondholders; and

(6) all of the proceeds of the foregoing, including, without limitation, Investments and Investment Income (except as excluded above);

TO HAVE AND TO HOLD unto the Trustee;

IN TRUST, NEVERTHELESS, upon the terms set forth in this Series 2017 Indenture for the equal and proportionate benefit, security and protection of all Registered Owners of the Series 2017 Bonds, without privilege, priority or distinction as to the lien or otherwise of any of the Series 2017 Bonds over any of the other Bonds;

PROVIDED, FURTHER, HOWEVER, that if the Agency or its successors or assigns pay or cause to be paid to the Registered Owners of the Series 2017 Bonds the principal of and interest and any premium to become due on the Series 2017 Bonds at the times and in the manner provided in this Series 2017 Indenture and if no amount is owing by the Borrowers to the Agency or the Trustee under the Loan Documents, and if the Agency keeps, performs and observes, or causes to be kept, performed and observed, all of its covenants, warranties and agreements contained in this Series 2017 Indenture and the estate and rights granted by this Series 2017 Indenture shall terminate and be discharged in accordance with its terms, upon which termination the Trustee shall execute and deliver to the Agency such instruments in writing as shall be necessary to satisfy the lien of this Series 2017 Indenture, and shall reconvey to the Agency any property at the time subject to the lien of this Series 2017 Indenture which may then be in the Trustee's possession, except amounts held by the Trustee for the payment of principal of and interest and any premium on the Series 2017 Bonds, or moneys held in the Revenue Fund for the payment of accrued and unpaid Administrative Expenses; otherwise this Series 2017 Indenture shall be and remain in full force and effect, upon the trusts and subject to the covenants and conditions set forth in this Series 2017 Indenture; and

FINALLY, all Bonds issued and secured under this Series 2017 Indenture are to be issued, authenticated and delivered, and all property, rights and interests, including, but not limited to, the amounts payable under the Loan Documents and any other amounts assigned and pledged by this Series 2017 Indenture are to be dealt with and disposed of under, upon and subject to, the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes expressed in this Series 2017 Indenture, and the Agency has agreed and covenanted, and agrees and covenants with the Trustee and with the Registered Owners of the Series 2017 Bonds as set forth in this Series 2017 Indenture.

**Section 5.02. Creation of Funds and Accounts.** The following Funds and Accounts are created with the Trustee:

- (a) the Series 2017 Administrative Expense Fund;
- (b) the Series 2017 Bond Proceeds Account;
- (c) the Series 2017 Loan Fund;
- (d) the Series 2017 Revenue Fund;
- (e) the Series 2017 Debt Service Fund;
- (f) the Series 2017 Redemption Account;
- (g) the Series 2017 Debt Service Reserve Fund;
- (h) the Series 2017 Costs of Issuance Account; and
- (i) the Series 2017 Escrow Fund.

The Trustee shall hold and administer the Funds and Accounts in accordance with this Series 2017 Indenture.

**Section 5.03. Administrative Expense Fund.** The Agency shall pay, or cause to be paid, all Servicing Fees to the Trustee at least once per month. All Servicing Fees shall be deposited in the Administrative Expense Fund. There shall also be deposited in the Administrative Expense Fund amounts transferred thereto from the Revenue Fund pursuant to Section 5.06(c) hereof. There may also be deposited in the Administrative Expense Fund, at the option of the Agency, any other moneys of the Agency, unless required to be otherwise applied as provided herein. Amounts in the Administrative Expense Fund shall be used and withdrawn by the Trustee to pay Administrative Expenses when and as payable pursuant to the written instructions of the applicable payee. Amounts remaining in the Administrative Expense Fund (i) following all the transfers required under Section 5.06(c) and payment of all Administrative Expenses previously incurred but not reimbursed and (ii) less the amount reasonably anticipated to be payable in the following month (or directly to the Trustee, Trustee expenses with respect to the Series 2017 Bonds, when and as payable), shall be transferred to the Program Subsidy Fund of the Master Indenture free and clear of the lien and pledge hereof.

**Section 5.04. Bond Proceeds Account.** Monies deposited in the Bond Proceeds Account pursuant to Section 4.01 hereof shall be applied to the payment of the principal of and interest on the Prior Bonds. The application of the monies withdrawn from the Bond Proceeds Account, together with other available monies, when applied in accordance with the provisions of the Prior Resolutions, shall be sufficient to defease the Prior Bonds in accordance with the Prior Resolutions.

**Section 5.05. Loan Fund.** The Mortgage Loans are hereby allocated to the Series 2017 Bonds and shall be held in the Loan Fund. When no Series 2017 Bonds remain Outstanding, upon the request of the Agency, the Trustee shall transfer such moneys, investments and Mortgage Loans to, or upon the order of the Agency.

**Section 5.06. Revenue Fund.**

(a) **Deposit of Revenues.** The Agency shall pay all Revenues or cause all Revenues to be paid to the Trustee at least once each month. Except as otherwise provided herein, all Revenues shall be deposited by the Trustee in the Revenue Fund. There also shall be deposited in the Revenue Fund amounts transferred thereto from the Debt Service Fund pursuant to Section 5.07(b) hereof, from the Debt Service Reserve Fund pursuant to Section 5.09(b) hereof, and from the Redemption Account pursuant to Section 5.08(b) hereof. There may also be deposited

in the Revenue Fund, at the option of the Agency, any other moneys of the Agency, unless required to be otherwise applied as provided herein.

(b) Payment of Certain Expenses. The Trustee shall pay or transfer from the Revenue Fund (i) directly to the Trustee, all expenses of the Trustee, when and as payable and (ii) to the Agency or to its order other reasonable and necessary Administrative Expenses, respectively, only to the extent, if any, provided, in the following paragraphs.

(c) Allocation of Revenues From Revenue Fund.

(1) On the last Business Day prior to each Interest Payment Date, or on the other dates specifically provided below, the Trustee shall withdraw from the Revenue Fund and deposit into the following Funds or Accounts and shall pay to the following parties the following amounts, in the following order of priority, the requirements of each such Fund, Account or party (including the making up of any deficiencies in any such Fund or Account resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied, and the results of such satisfaction being taken into account, before any payment or transfer is made subsequent in priority:

(A) Into the Debt Service Fund the amount received as interest on the Loans required to be applied to the payment of interest on the Series 2017 Bonds on the next Interest Payment Date;

(B) Into the Redemption Account, the amounts received as principal on the Loans to be applied to the payment of principal of the Series 2017 Bonds upon the mandatory redemption thereof pursuant to Section 3.03 hereof; provided that the first such transfer shall occur on the Business Day prior to October 1, 2017;

(C) Into the Debt Service Reserve Fund, the amount, if any, needed to increase the amount therein to the Debt Service Reserve Fund Requirement;

(D) Into the Administrative Expense Fund, the amount, if any, required to pay Administrative Expenses in accordance with Section 5.03 hereof; and

(E) The remaining amount received as interest on the Loans shall be transferred to the Program Subsidy Fund of the Master Indenture to be applied pursuant to Section 5.7 thereof.

#### **Section 5.07. Debt Service Fund.**

(a) Amounts in the Debt Service Fund shall be used and withdrawn by the Trustee solely for transfer to the Paying Agent on each Interest Payment Date for the purpose of paying the interest on the Series 2017 Bonds as the same shall become due and payable (including accrued interest on any Bonds redeemed prior to maturity).

(b) Amounts remaining in the Debt Service Fund after all the Series 2017 Bonds have been paid or funds have been set aside and held in trust for such payment shall be transferred to the Revenue Fund.

#### **Section 5.08. Redemption Account.**

(a) Moneys deposited in the Redemption Account shall be applied by the Trustee to the redemption of Series 2017 Bonds in accordance with the provisions this Section and Article III hereof.

(b) Any amounts remaining in the Redemption Account after all Bonds have been paid shall be transferred to the Revenue Fund.

#### **Section 5.09. Debt Service Reserve Fund.**

(a) Upon the issuance, sale and delivery of the Series 2017 Bonds, the Trustee shall deposit in the Debt Service Reserve Fund such amount as shall be at least sufficient to equal the Debt Service Reserve Fund Requirement for the Series 2017 Bonds. Additional moneys may be deposited in the Debt Service Reserve Fund in accordance with Section 5.06(c) hereof.

(b) If the Agency provides the Trustee with a calculation showing that the amount on deposit in the Debt Service Reserve Fund (other than amounts attributable to accrued, but unrealized interest on Investments) is in excess of the Debt Service Reserve Fund Requirement for the Series 2017 Bonds, as of the Interest Payment Date next succeeding the date of such calculation, the Trustee shall transfer the amount of such excess pursuant to the written direction of the Agency.

(c) On the last Business Day prior to each Interest Payment Date in conjunction with the transfers, deposits and payments to be made pursuant to Section 5.06(c)(1) hereof, in the event that the amount transferred to the Debt Service Fund pursuant to paragraph 5.06(c)(1)(A)-(B) is insufficient to pay the interest or principal due on the Series 2017 Bonds on the next succeeding Interest Payment Date, the Trustee shall transfer from the Debt Service Reserve Fund, to the Debt Service Fund the amount of such insufficiency.

(d) At any time while the Series A Bonds are outstanding, the Agency may enter a Loan Payment Enhancement Facility. Upon delivery of a Loan Payment Enhancement Facility with respect to the Series 2017 Bonds, the Debt Service Reserve Fund Requirement shall be such lesser amount as shall be permitted by the Rating Agency, as evidenced by a Confirmation that the reduction or elimination of the Debt Service Reserve Fund Requirement will not, in and of itself, impair, or cause the Series 2017 Bonds to fail to retain, the then existing rating assigned to the Series 2017 Bonds by such Rating Agency.

(e) Monies in the Debt Service Reserve Fund may not be withdrawn at any time in any amount which would cause the balance of funds in the Debt Service Reserve Fund to fall below the Debt Service Reserve Fund Requirement except for the purpose of paying principal and interest on the Series 2017 Bonds maturing and becoming due and for the payment of which other monies pledged under the Indenture are not available. In connection with the special optional redemption of the Series 2017 Bonds, amounts in the Debt Service Reserve Fund in excess of the Debt Service Reserve Fund Requirement calculated after giving effect to such redemption may be withdrawn and applied together with other available monies to the redemption of the Series 2017 Bonds.

#### **Section 5.10. Costs of Issuance Account.**

(a) Deposits into the Costs of Issuance Account. On or before the Closing Date the Agency shall deliver the Costs of Issuance Deposit to the Trustee. On the Closing Date, the Trustee shall deposit or transfer, as applicable, the Costs of Issuance Deposit into the Costs of Issuance Account.

(b) Disbursements from the Costs of Issuance Account. The Trustee shall disburse moneys on deposit in the Costs of Issuance Account, pursuant to requisitions, in the form attached hereto as Exhibit C, signed by an Authorized Officer of the Agency, to pay Costs of Issuance. The Trustee may conclusively rely on such requisitions for purposes of making such disbursements. Moneys on deposit in the Costs of Issuance Account shall not be part of the Trust Estate and will be used solely to pay Costs of Issuance.

(c) Disposition of Remaining Amounts. Any moneys remaining in the Costs of Issuance Account, including interest earned thereon, six months after the Closing Date and not needed to pay still unpaid Costs of Issuance will be returned to the Agency. Upon final disbursement, the Trustee shall close the Costs of Issuance Account.

**Section 5.11. Escrow Fund.** Within the Escrow Fund, there shall be established escrow subaccounts relating to each Mortgage Loan as set forth in Exhibit D attached hereto. On the Closing Date, the Prior Trustee shall deliver to the Trustee for deposit to the related subaccount within the Escrow Fund, the amounts from the various funds held under the Prior Resolutions as set forth on Exhibit D attached hereto. Such amounts shall be



retained by the Trustee in the related subaccount of the Escrow Fund and, at the written request of a Borrower, with the written approval of the Agency, shall be delivered to such Borrower.

**Section 5.12. Moneys to be Held in Trust.** Except for (i) moneys deposited with or paid to the Trustee for the redemption of the Series 2017 Bonds notice of the redemption of which has been duly given, and (ii) moneys on deposit in the Costs of Issuance Account and the Administrative Expense Fund and the Escrow Fund, all moneys required to be deposited with or paid to the Trustee for the account of any Fund or Account will be held by the Trustee in trust and, while held by the Trustee, shall constitute part of the Trust Estate and be subject to the security interest created by this Series 2017 Indenture.

**Section 5.13. Records.** The Trustee shall keep and maintain accurate records with respect to the Funds and Accounts. The Trustee shall file at least an annual accounting of the Funds and Accounts and the payment history on the Series 2017 Bonds and the Mortgage Loans with the Agency.

**Section 5.14. Reports by the Trustee.** The Trustee shall, on or before the 10<sup>th</sup> day of each month, file with the Agency a statement setting forth in respect of the preceding calendar month:

- (a) the amount withdrawn or transferred and the amount deposited within or on account of each Fund and Account under this Series 2017 Indenture, including the amount of Investment Income on each Fund and Account transferred to the Interest Account;
- (b) the amount on deposit at the end of such month to the credit of each Fund and Account;
- (c) a brief description of all obligations held as an investment of moneys in each Fund and Account;
- (d) the amount applied to the redemption of the Series 2017 Bonds and a description of the Series 2017 Bonds or portions thereof so redeemed; and
- (e) any other information which the Agency may reasonably request.

No monthly statement for a Fund or Account need be rendered if no activity occurred in that Fund or Account during such month. Upon the written request of any Bondholder owning 25 percent or more in aggregate principal amount of the Series 2017 Bonds then Outstanding, the Trustee shall provide a copy of such statement to the Bondholder. All records and files pertaining to the Trust Estate will be open at all reasonable times during regular business hours of the Trustee to the inspection and audit of the Agency and its agents and representatives upon reasonable prior notice.

**Section 5.15. Moneys Held for Particular Bonds.** The amounts held by the Trustee for payment of the interest, premium, if any, principal or Redemption Price due on any date with respect to particular Series 2017 Bonds, pending such payment, will be set aside and held in trust by the Trustee for the Bondholders entitled to such payment. For the purposes of this Series 2017 Indenture such interest, premium, principal or Redemption Price, after the due date of payment, will no longer be considered to be unpaid.

**Section 5.16. Nonpresentment of Bonds.** In the event any Series 2017 Bond is not presented for payment when the principal of such Series 2017 Bond becomes due, either at maturity or at the date fixed for redemption of such Series 2017 Bond or otherwise, if amounts sufficient to pay such Series 2017 Bond have been deposited with the Trustee for the benefit of the owner of the Series 2017 Bond and have remained unclaimed for two years after such principal has become due and payable, such amounts will be paid to the Agency. Upon such payment, all liability of the Agency and the Trustee to the holder of any Series 2017 Bond for the payment of such Bond will cease and be completely discharged; provided, however, that the Trustee, before being required to make any such payment to the Agency, shall cause to be published once in a financial newspaper or journal of general circulation in New York, New York, notice that such moneys remain unclaimed and that, after a date specified in such notice, which will not be less than 30 days from the date of such publication, any unclaimed balance of such moneys then remaining will be paid to the Agency. The cost of such publication will be paid by the Agency. The obligation of

the Trustee under this Section to pay any such amounts to the Agency will be subject to any provisions of law applicable to the Trustee or to such amounts providing other requirements for disposition of unclaimed property.

**Section 5.17. Disposition of Remaining Moneys.** Any amounts remaining in the Revenue Fund after payment in full of the principal of and interest and any premium on the Series 2017 Bonds will be applied to pay (i) first, to the person or persons entitled to be paid, all other unpaid amounts required to be paid under this Series 2017 Indenture, and (ii) second, to the Agency.

## ARTICLE VI

### INVESTMENTS

**Section 6.01. Investment Limitations.** Moneys held as part of any Fund or Account shall be invested and reinvested in Permitted Investments as directed in writing by an Authorized Officer of the Agency. Permitted Investments shall have maturities corresponding to, or shall be available for withdrawal without penalty no later than, the dates upon which such moneys shall be needed for the purpose for which such moneys are held. Moneys on deposit in the (i) Revenue Fund shall be invested only in investments described in paragraphs (1), (2), (3), and (5) of the definition of Investment Securities as set forth in the Master Indenture, (ii) Redemption Account shall be invested only in investments described in paragraph (1) of the definition of Investment Securities as set forth in the Master Indenture, with a term not exceeding the earlier of 30 days from the date of investment of such moneys or the date or dates that such moneys are anticipated to be required for redemption, (iii) Costs of Issuance Account, until disbursed or returned to the Agency pursuant to Section 5.10, shall be invested only in investments described in paragraph (5) of the definition of Investment Securities as set forth in the Master Indenture. Permitted Investments shall be held by or under the control of the Trustee. All Investment Income from moneys held in all Funds and Accounts other than the Loan Fund and the Costs of Issuance Account (other than as provided below), upon receipt, shall be deposited into the Revenue Fund. Investment Income from moneys held in the Loan Fund and the Costs of Issuance Account shall remain in the respective Fund or Account, as applicable, where earned.

**Section 6.02. Trustee's Authority and Responsibilities.** The Trustee is authorized to sell and reduce to cash a sufficient amount of Permitted Investments whenever the cash balance is or will be insufficient to make a requested or required disbursement. The Trustee shall not be accountable for any depreciation in the value of any Permitted Investment or for any loss resulting from such sale. The Trustee may trade with itself and its Affiliates in the purchase and sale of securities for investments, and may transact purchases and sales through its investment department or through its Affiliates. The Trustee and its Affiliates may act as principal, agent, sponsor, advisor or depository with respect to any investments. All Permitted Investments shall be made by the Trustee in its name, as Trustee, at the written direction of the Agency, subject to the limitations contained in this Series 2017 Indenture. In the absence of written investment instructions, the Trustee shall have no duty or obligation to invest any funds held hereunder. In computing the amount in any Fund or Account, Permitted Investments if purchased at par shall be valued at principal cost plus accrued interest, or, if purchased at other than par, at principal cost plus amortized discount or less amortized premium (amortization to be on a straight-line basis to the date of stated maturity without regard to redemptions or repayments of principal which may occur prior to maturity) plus accrued interest. The Trustee shall take such actions as shall be necessary to assure that Permitted Investments purchased by it under this Series 2017 Indenture are held pursuant to the terms of this Series 2017 Indenture and are subject to the trusts and security interests created in this Series 2017 Indenture. The Agency acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Agency the right to receive brokerage confirmations of security transactions as they occur, the Agency specifically waives receipt of such confirmations to the extent permitted by law.

## ARTICLE VII

### REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE AGENCY

**Section 7.01. Agency Representations and Warranties.** The Agency represents and warrants that:

(a) The Agency is duly authorized under the Constitution and laws of the District of Columbia, including the Act, to (i) issue the Series 2017 Bonds, (ii) execute and deliver this Series 2017 Indenture, (iii) assign

its interest in the Loan Documents (except the Unassigned Rights of the Agency) and (iv) pledge and assign the Trust Estate as set forth in this Series 2017 Indenture for the benefit of the Bondholders, to secure the payment of the principal of and interest and any premium on the Series 2017 Bonds in accordance with the terms and provisions of this Series 2017 Indenture and the Series 2017 Bonds.

(b) All actions on the part of the Agency for the issuance, sale and delivery of the Series 2017 Bonds and for the execution and delivery of this Series 2017 Indenture and the Loan Documents and the endorsement of the Mortgage Notes have been or will be taken duly and effectively.

(c) The Series 2017 Bonds, together with all other indebtedness of the Agency, are within all applicable debt limit.

(d) The Series 2017 Bonds will be valid and enforceable special obligations of the Agency according to their terms, subject to bankruptcy and equitable principles.

**Section 7.02. Agency Covenants.** In addition to all other covenants and agreements of the Agency contained in this Series 2017 Indenture, the Agency further covenants and agrees with the Bondholders and the Trustee as follows:

(a) The Agency shall not alter, modify or cancel, or agree to alter, modify or cancel, any agreement which relates to or affects the Trust Estate.

(b) Except as otherwise provided in this Series 2017 Indenture or the Loan Documents, the Agency shall not sell, convey, mortgage, encumber or otherwise dispose of any portion of the Trust Estate or create or authorize to be created any debt, lien or charge thereon.

(c) On a monthly basis, commencing October 1, 2017, the Agency shall provide to the MSRB via its Electronic Municipal Market Access (EMMA) system the following information with respect to each of the Loans:

- (1) current loan payment number,
- (2) loan status (on watch list, number of days or months late, bankruptcy),
- (3) loan balance remaining,
- (4) current Debt Service Reserve Fund balance,
- (5) current principal and interest paid and remaining due, if any; and
- (6) current quarterly occupancy data (with one month lag).

(d) In addition, the Agency shall provide to the MSRB via EMMA the debt service coverage ratio for each of the Projects not later than 180 days from the end of the Agency's fiscal year.

(e) The Agency shall enforce diligently and take or cause to be taken all reasonable steps, actions and proceedings necessary for the enforcement of all terms, covenants and conditions of all Loans consistent with sound banking practices and principles, including the prompt collection of all Mortgage Repayments and all other amounts due the Agency thereunder. The Agency shall service each Loan or appoint a Servicer for such Loan, and if it appoints a Servicer shall enter into a Servicing Agreement with respect thereto, effective not later than the date of delivery of such Loan. The Agency or such Servicer shall service each Loan in accordance with acceptable mortgage servicing practices of prudent lending institutions or in accordance with such other standards as are required to maintain the Federal Insurance with respect to such Loan. The Agency shall not without good cause release the obligations of any of the Borrowers under any Financing Agreement, or of the Servicer under the Servicing Agreement or of the provider of Loan Payment Enhancement Facility under any Loan Payment Enhancement Facility and, to the extent permitted by law, at all times shall defend, enforce, preserve and protect the

rights and privileges of the Agency, the Trustee and the Bondholders under or with respect to the Financing Agreement securing such Loans, any Servicing Agreement and any Loan Payment Enhancement Facility relating thereto; provided, however, that nothing in this Section shall be construed to prevent the Agency from settling a default on any Loan on such terms as the Agency shall determine to be in the best interests of the Agency and the Bondholders.

**Section 7.03. Limitations on Liability.** Notwithstanding any other provision of this Series 2017 Indenture to the contrary:

(a) The obligations of the Agency with respect to the Series 2017 Bonds are not general obligations of the Agency but are special, limited obligations of the Agency payable by the Agency solely from the Trust Estate.

(b) Nothing contained in the Series 2017 Bonds or in this Series 2017 Indenture shall be considered as assigning or pledging any funds or assets of the Agency other than the Trust Estate.

(c) The Series 2017 Bonds are not and will not be a debt of the District, the Agency or of any other political subdivision of the District, and neither the District, the Agency nor any other political subdivision of the District is or will be liable for the payment of the Series 2017 Bonds.

(d) Neither the faith and credit of the Agency, the District nor of any other political subdivision of the District are pledged to the payment of the principal of and interest and any premium on the Series 2017 Bonds.

(e) No failure of the Agency to comply with any term, condition, covenant or agreement in this Series 2017 Indenture or in any document executed by the Agency in connection with the mortgaged property or the issuance, sale and delivery of the Series 2017 Bonds shall subject the Agency to liability for any claim for damages, costs or other charges except to the extent that the same can be paid or recovered from the Trust Estate.

(f) The Agency shall not be required to advance any moneys derived from any source other than the Trust Estate for any of the purposes of this Series 2017 Indenture or any of the other Transaction Documents, whether for the payment of the principal or Redemption Price of, or interest on, the Series 2017 Bonds, the payment of Administrative Expenses or otherwise.

**Section 7.04. Further Assurances; Security Agreement.** The Agency, to the extent permitted by law, shall execute, acknowledge and deliver such Supplemental Indentures and other instruments and documents, and perform such further acts, as the Trustee may reasonably require to perfect, and maintain perfected, the security interest in the Trust Estate or to better assure, transfer, convey, pledge, assign and confirm to the Trustee all of its respective interest in the property described in this Series 2017 Indenture and the revenues, receipts and other amounts pledged by the Indenture. The Agency shall cooperate to the extent necessary with the Trustee in its defenses of the Trust Estate against the claims and demands of all Persons. In addition to the assignment by the Agency of its rights in the Trust Estate to the Trustee, the Agency hereby acknowledges that in order to more fully protect, perfect and preserve the rights of the Trustee in the Trust Estate, the Agency grants to the Trustee a security interest in the Trust Estate and the proceeds thereof.

## ARTICLE VIII

### MISCELLANEOUS

**Section 8.01. Conformance with Terms of Sale.** All of the amounts, rates, arithmetical computations and dates set forth herein shall conform with the terms and provisions of the final purchase agreement or with the proposal of the successful bidder in the event that the Series 2017 Bonds are sold at public sale.

**Section 8.02. Notice to Rating Agency.** In the event that (i) the Trustee resigns or is removed, (ii) a successor trustee or co-trustee is appointed, (iii) there is a defeasance of the Series 2017 Bonds, (iv) there is a redemption, acceleration or defeasance, in whole or in part, of the Series 2017 Bonds (other than any mandatory redemption in respect of Mortgage Repayments), (v) there is any material amendment of the Master Indenture, this

Series 2017 Indenture or any Loan Document, (vi) there is a partial prepayment of the Mortgage Loan, (vii) the Project reserves are used to pay debt service on the Series 2017 Bonds or to cure a Mortgage Loan default, (viii) there is a sale of the Mortgage collateral, (ix) there is a draw on the Debt Service Reserve Fund pursuant to Section 5.09(c) hereof, (x) the Trustee, at the written direction the Agency, is provided with an agreement for the investment of moneys at a guaranteed rate as set out in paragraph (g) of the definition of the term “Permitted Investment,” or (xi) there is any other event of which notice reasonably is requested by the Rating Agency, then, in each and every such event, the Trustee, upon receiving notice of such event or events shall give notice of such event or events by mail, postage prepaid, to Moody’s Investors Service, Inc., 7 World Trade Center, 250 Greenwich St., 23<sup>rd</sup> Floor, New York, NY 10007; provided, however, that failure to give such notice shall not affect the validity of the occurrence of any of such events.

**Section 8.03. Action by Trustee Through and Reliance Upon Others.** The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, receivers, or employees, and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder. The Trustee may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may be reasonably employed in connection with the trusts hereof. The Trustee shall not be answerable for the exercise of any discretion or power under this Series 2017 Indenture or for anything whatever in connection with the trust, except only for negligence or willful misconduct with respect to its responsibilities hereunder.

No personal recourse may be taken, directly or indirectly, against any officer, director, employee or agent of the Trustee with respect to the obligations of the Trustee under this Series 2017 Indenture or any certificate or other writing delivered in connection therewith. The Trustee’s immunities and protections from liability and its right to indemnification in connection with the performance of its duties and functions under this Series 2017 Indenture shall extend to the Trustee’s officers, directors, agents and employees.

The Trustee’s immunities and protections from liability and its right to payment of compensation and indemnification in connection with performance of its duties and functions under this Series 2017 Indenture shall survive the Trustee’s resignation or removal and the final payment of the Series 2017 Bonds. All of the Trustee’s rights, immunities, protections from liability and rights to payment and indemnification set forth in the Master Indenture shall apply with respect to this Series 2017 Indenture and the Series 2017 Bonds as if fully set forth herein.

**Section 8.04. USA Patriot Act Requirements of the Trustee.** To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. Accordingly, the Trustee will require documentation from each non-individual person such as a business entity, a charity, a trust, or other legal entity verifying its formation as a legal entity. The Trustee may also seek financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

**Section 8.05. Counterparts.** This Series 2017 Indenture may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Series 2017 Indenture to be duly executed by their duly authorized representatives, as of the date and year first above written.

DISTRICT OF COLUMBIA  
HOUSING FINANCE AGENCY

Attest:

By: \_\_\_\_\_ [SEAL]  
Todd A. Lee  
Executive Director/CEO

\_\_\_\_\_  
Michael A. Winter  
Interim General Counsel

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: \_\_\_\_\_ [SEAL]  
M. Dorsel Robinson  
Vice President

[SIGNATURE PAGE TO SERIES 2017 INDENTURE]

**EXHIBIT A**  
**FORM OF BOND**

No. R-1

\$34,444,074

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
**FHA-INSURED PASS-THROUGH REVENUE REFUNDING BONDS**  
**(MULTI-FAMILY DEVELOPMENT PROGRAM)**  
**SERIES 2017 (FEDERALLY TAXABLE)**

*THE SERIES 2017 BONDS, THE PRINCIPAL OF, PREMIUM, IF ANY, AND THE INTEREST THEREON ARE SPECIAL LIMITED OBLIGATIONS OF THE AGENCY. THE AGENCY IS NOT OBLIGATED TO PAY THE SERIES 2017 BONDS, THE PRINCIPAL OF, THE PREMIUM, IF ANY, AND THE INTEREST THEREON EXCEPT FROM THE REVENUES AND ASSETS OF THE AGENCY PLEDGED TO SUCH PURPOSES IN THE MANNER AND TO THE EXTENT PROVIDED IN THE INDENTURE, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT OF COLUMBIA IS PLEDGED TO THE PAYMENT OF PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2017 BONDS. THE SERIES 2017 BONDS, THE PRINCIPAL OF, PREMIUM, IF ANY, AND THE INTEREST THEREON SHALL NOT BE A DEBT OF THE DISTRICT OF COLUMBIA OR THE AGENCY AND NEITHER THE DISTRICT OF COLUMBIA NOR THE AGENCY SHALL BE LIABLE THEREON. THE AGENCY HAS NO TAXING POWER.*

INTEREST RATE:	MATURITY DATE:	DATED DATE:	CUSIP:
3.236% per annum	March 1, 2049	August 17, 2017	25477P NT8

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THIRTY-FOUR MILLION, FOUR HUNDRED FORTY-FOUR THOUSAND, SEVENTY FOUR AND NO/100 DOLLARS

The District of Columbia Housing Finance Agency (the "Agency"), a corporate body and an instrumentality of the District of Columbia (the "District"), for value received, hereby promises (but only from the sources herein identified) to pay to the Registered Owner (named above), or registered assigns, the Principal Amount (stated above) on the Maturity Date (stated above), unless redeemed prior thereto as hereinafter provided, upon presentation and surrender hereof at the corporate trust office of U.S. Bank National Association, as trustee under the Master Indenture (as hereinafter defined), or its successors (the "Trustee"), and to pay to the Registered Owner hereof interest on the unpaid principal balance hereof from the Dated Date hereof to the Maturity Date or earlier redemption of this Series 2017 Bond at the Interest Rate (stated above) per annum, payable monthly on the fifteenth day of each month (or if such day is not a Business Day, on the next succeeding Business Day), commencing October 1, 2017 (each, an "Interest Payment Date"). The interest on this Series 2017 Bond, when due and payable, shall be paid to the Registered Owner hereof, by check or draft mailed to such Registered Owner at the address appearing on the registration books of the Agency held by the Trustee on the first day of the month preceding the date on which interest is due and payable on the Series 2017 Bonds, or upon the written request of the Registered Owner of at least \$1,000,000 in principal amount of the Series 2017 Bonds Outstanding, by wire transfer in immediately available funds to an account designated by such Registered Owner, which request will be effective for all dates on which interest is due until such notice is canceled by the Registered Owner. Principal, interest and redemption premium, if any, on this Series 2017 Bond are payable in any coin or currency of the United States of America which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts.

This Series 2017 Bond is a special revenue obligation of the Agency and is one of a duly authorized issue of bonds of the Agency designated "FHA-Insured Pass-Through Revenue Refunding Bonds (Multi-Family

Development Program) Series 2017 (Federally Taxable)” (the “Series 2017 Bonds”), issued in the aggregate principal amount of \$34,444,074 and issued pursuant to the District of Columbia Housing Finance Agency Act, D.C. Law 2-135, D.C. Code Section 42-2701.01 et seq., as amended (the “Act”) and under and pursuant to the Master Trust Indenture, dated as of August 1, 2017 (the “Master Indenture”), by and between the Agency and the Trustee, and the Supplemental Trust Indenture dated as of August 1, 2017 (the “Series 2017 Indenture,” and together with the Master Indenture, the “Indenture”), by and between the Agency and the Trustee, to refund and redeem \$35,570,000 in principal amount of certain of the Agency’s outstanding multifamily housing revenue bonds (the “Prior Bonds”). The aggregate principal amount of Bonds which may be issued under the Master Indenture is not limited except as provided in the Master Indenture and all Bonds issued under the Master Indenture are, except as otherwise expressly provided or permitted in the Indenture and in the Series 2017 Indenture, equally secured by the pledges and covenants made therein.

The terms and conditions set forth herein concerning payment, redemption, purchase and other rights and remedies of the owners of the Series 2017 Bonds are descriptive only and are subject in all cases to the terms and conditions as set forth in the Indenture. Capitalized terms used in this Series 2017 Bond, but not defined herein, shall have the meanings ascribed thereto in the Indenture.

This Series 2017 Bonds are issued as “Non-Parity Obligations” under and in accordance with the Master Indenture. Payment of the Series 2017 Bonds is secured by the pledge of funds and accounts under the Series 2017 Indenture, which shall be held separate and distinct from the pledge securing Parity Obligations (as defined in the Master Indenture), and upon the terms and conditions set forth in the Series 2017 Indenture. The Series 2017 Bonds shall be secured solely by the Trust Estate pledged under the Series 2017 Indenture and not by any other moneys, funds or accounts held under the Master Indenture and such Trust Estate shall not constitute security for or a source of payment of any other Series of Obligations or other Non-Parity Obligations outstanding or hereafter issued under or entered into in accordance with the Master Indenture. Notwithstanding any provision in the Series 2017 Indenture or any other Supplemental Indenture, the Master Indenture, or any supplement thereto, all funds, accounts, and property held by or pledged to the Trustee, as provided under the Indenture, for the Series 2017 Bonds shall serve as collateral for the payment of debt service, fees and expenses solely for the Series 2017 Bonds (except such funds and accounts as are specifically excluded by the Series 2017 Indenture), and in no event shall the Trustee sell, transfer, or otherwise dispose of such collateral without the prior written consent of 100% of the holders of the Series 2017 Bonds. No other Supplemental Indenture is or shall be cross collateralized with the Series 2017 Indenture and a default under any other Supplemental Indenture or the Master Indenture (not related to the Series 2017 Bonds) shall not be the cause of a default under the Series 2017 Indenture.

Copies of the Indenture are on file at the office of the Agency and at the corporate trust office of the Trustee, and reference to the Indenture and any and all supplements thereto and modifications and amendments thereof and to the Act is made for a description of the pledges and covenants securing the Series 2017 Bonds, the nature, extent and manner of enforcement of such pledges and covenants, the rights and remedies of the Holders of the Series 2017 Bonds with respect thereto and the terms and conditions upon which the Series 2017 Bonds are issued thereunder. The provisions of the Indenture or any indenture amendatory thereof or supplemental thereto may be modified or amended by the Agency pursuant to the provisions of the Indenture.

This Series 2017 Bond is transferable, as provided in the Indenture, only upon the books of the Agency kept for that purpose at the corporate trust office of the Trustee by the Registered Owner hereof in person, or by his attorney duly authorized in writing, upon the surrender of this Series 2017 Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the Registered Owner or his attorney duly authorized in writing, and thereupon a new registered Series 2017 Bond or Bonds, without coupons, and in the same aggregate principal amount and of the same maturity, shall be issued to the transferee in exchange therefore as provided in the Indenture, and upon the payment of the charges, if any, therein prescribed.

The Series 2017 Bonds are issuable in the form of registered bonds, without coupons, in the denomination of \$1.00 and any integral multiple thereof (the “Authorized Denominations”), not exceeding the aggregate principal amount of the Series 2017 Bonds maturing on the maturity date of the Bond. In the manner, subject to the conditions and upon the payment of the charges, if any, provided in the Indenture, Series 2017 Bonds, upon surrender thereof at the corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the Registered Owner or his attorney duly authorized in writing, may, at the option of the



Registered Owner thereof, be exchanged for an equal aggregate principal amount of registered Series 2017 Bonds, without coupons, of any other authorized denominations of the same maturity.

The Series 2017 Bonds are subject to special optional redemption in whole on any Interest Payment Date on and after the date on which the outstanding principal amount of the Series 2017 Bonds is less than 10% of the original principal amount thereof, at a Redemption Price equal to 100% of the principal amount thereof, without premium.

The Series 2017 Bonds are subject to mandatory redemption in whole or in part, on each Interest Payment Date, beginning on October 1, 2017, at a Redemption Price equal to 100% of the principal amount of the Series 2017 Bonds to be redeemed, without premium, in an amount equal to all principal of Prepayments and Mortgage Repayments related to the Mortgage Loans received by or on behalf of the Agency on or before the last day of the immediately preceding calendar month, as such amount is transferred from the Revenue Fund to the Redemption Account pursuant to the Series 2017 Indenture.

For any special optional redemption of Series 2017 Bonds, the Trustee shall give notice of redemption by Electronic Means, first class mail, postage prepaid, not more than sixty days nor less than twenty days prior to the specified Redemption Date, to the Registered Owner of each Series 2017 Bond, or portions thereof, to be redeemed at the address of such Registered Owner as shown on the Bond Register. With respect to Book-Entry Bonds, if the Trustee sends notice of redemption to the Securities Depository pursuant to the Letter of Representations, the Trustee shall not be required to give the notice set forth in the immediately preceding sentence. In the case of a special optional redemption, the notice of redemption shall state that it is conditioned upon receipt by the Trustee of sufficient moneys to redeem the Series 2017 Bonds including Available Moneys to pay any redemption premium in full (“Conditional Redemption”), and such notice and optional redemption shall be of no effect if by no later than the scheduled Redemption Date, sufficient moneys to redeem the Series 2017 Bonds and sufficient Available Moneys to pay any redemption premium have not been deposited with the Trustee, or, if such moneys are deposited, are not available. The Trustee shall cause a second notice of redemption to be sent by first class mail, postage prepaid, on or within ten days after the 30th day after the Redemption Date to any Bondholder who has not submitted its Bond to the Trustee for payment. Receipt of notice under this section shall not be a condition precedent to redemption of the Series 2017 Bonds, and failure so to receive any such notice by any of such registered owners shall not affect the validity or the proceedings for the redemption of any Bonds. The Trustee shall provide copies of all notices given under this Section and of all revocations of notices to the Agency at the same time it gives notices to Bondholders.

*Notwithstanding anything to contrary herein, no notice of mandatory redemption pursuant to the Series 2017 Indenture shall be required.*

The principal of the Series 2017 Bonds may be declared due and payable before the maturity thereof as provided in the Indenture.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Charter and the statutes of the District of Columbia, and the Indenture to exist, to have happened and to have been performed precedent to and in the issuance of this Series 2017 Bond, exist, have happened and have been performed in due time, form and manner as required by law and that the issue of the Series 2017 Bonds, together with all other indebtedness of the Agency, is within every debt and other limit prescribed by law.

IN WITNESS WHEREOF the Agency has caused this Series 2017 Bond to be duly executed in its name and on its behalf by the Executive Director of the Agency, by his manual or facsimile signature and has caused its corporate seal or a facsimile thereof to be impressed or otherwise reproduced hereon and attested by an authorized officer of the Agency, by such authorized officer's manual or facsimile signature, all as of the Dated Date hereof.

DISTRICT OF COLUMBIA  
HOUSING FINANCE AGENCY

[SEAL]

By: \_\_\_\_\_  
Todd A. Lee  
Executive Director/CEO

Attest:

\_\_\_\_\_  
Michael A. Winter  
Interim General Counsel

**[FORM OF TRUSTEE CERTIFICATE OF AUTHENTICATION]**

This Series 2017 Bond is one of the Series 2017 Bonds described in the within-mentioned Series 2017 Indenture.

U.S. BANK NATIONAL ASSOCIATION, as trustee

By: \_\_\_\_\_  
Authorized Signature

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

**[FORM OF ASSIGNMENT]**

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto \_\_\_\_\_ the within Series 2017 Bond and all rights thereunder and hereby irrevocably constitutes and appoints \_\_\_\_\_ to transfer the within-mentioned Series 2017 Bond on the books kept for registration thereof with full power of substitution in the premises.

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

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

Insert social security or other identifying number of assignee: \_\_\_\_\_

NOTICE: The signature to this Assignment must correspond with the name as it appears upon the face of the within Series 2017 Bond in every particular, without alteration or enlargement or any change whatever.

PAYMENT GRID

<u>Date of Payment</u>	<u>Principal Amount Paid</u>	<u>Principal Amount Outstanding</u>	<u>Holder Signature</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
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_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

[End of Form of Series 2017 Bonds]

**EXHIBIT B**

**LIST OF PRIOR BONDS BEING REFUNDED**

<u>Series</u>	<u>Outstanding Principal Amount of Prior Bonds*</u>
Series 2004 A (1330 7 <sup>th</sup> )	\$10,740,000
Series 2004 B (J.W. King)	\$4,710,000
Series 2004 DE (Henson Ridge II)	\$11,445,000
Series 2006 A (Wesley House)	\$8,675,000

\* As of August 22, 2017 (the Redemption Date of the Prior Bonds)

**EXHIBIT C**

**FORM OF COST OF ISSUANCE ACCOUNT REQUISITION**

**REQUISITION NO. \_\_\_\_**

U.S. Bank National Association  
Two James Center  
1021 E. Cary St.  
18th Floor  
Richmond, VA 23219-4000

District of Columbia Housing Finance Agency  
FHA-Insured Pass-Through Revenue Refunding Bonds  
(Multi-Family Development Program)  
Series 2017 (Federally Taxable)

Ladies & Gentlemen:

The District of Columbia Housing Finance Agency (hereinafter, the “Agency”) hereby makes request for disbursements of amounts deposited in the funds and accounts established pursuant to the pursuant to the Master Trust Indenture, dated as of August 1, 2017 (the “Master Indenture”), by and between the Agency and the Trustee, and the Supplemental Trust Indenture dated as of August 1, 2017 (the “Series 2017 Indenture,” and together with the Master Indenture, the “Indenture”), by and between the Agency and the Trustee.

The terms used in this Requisition and not otherwise defined shall have the meanings ascribed to them in the Indenture.

The total amount being requisitioned from the Costs of Issuance Account established pursuant to the Series 2017 Indenture is \$[\_\_\_\_\_].

Pursuant to the Series 2017 Indenture you are hereby requested to disburse moneys from the Costs of Issuance Account for payment of certain costs of issuing the Series 2017 Bonds as set forth in the attached schedule.

IN WITNESS WHEREOF, the Agency has caused this Requisition to be executed in its name by its duly Authorized Officer.

Date: \_\_\_\_\_

DISTRICT OF COLUMBIA HOUSING  
FINANCE AGENCY

By: \_\_\_\_\_  
Todd A. Lee  
Executive Director/CEO



**SCHEDULE**

**PAYEE**

**DESCRIPTION**

**AMOUNT**

**EXHIBIT D**  
**ESCROW FUND DEPOSITS**  
**[Attach Schedule]**

**PROPOSED FORM OF LEGAL OPINION OF BOND COUNSEL**

*Upon delivery of the Series 2017 Bonds, Bond Counsel expects to render its opinion in substantially the following form:*

[LETTERHEAD OF KUTAK ROCK LLP]

August 17, 2017

District of Columbia Housing  
Finance Agency  
815 Florida Avenue, NW  
Washington, DC 20001

**\$34,444,074**  
**District of Columbia Housing Finance Agency**  
**FHA-Insured Pass-Through Revenue Refunding Bonds**  
**(Multi-Family Development Program)**  
**Series 2017 (Federally Taxable)**

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the District of Columbia Housing Finance Agency (the “Issuer”) of the above-referenced bonds (the “Series 2017 Bonds”). The Issuer is a corporate body and an instrumentality of the government of the District of Columbia (the “District”), organized and existing under and pursuant to the District of Columbia Housing Finance Agency Act, D.C. Law 2-135, D.C. Code § 42-2701.01 *et seq.*, as amended (the “Act”). The Series 2017 Bonds are being issued under and pursuant to (a) the Act, (b) that certain resolution adopted by the Issuer on July 25, 2017 (the “Bond Resolution”) and (c) the Master Trust Indenture, dated as of August 1, 2017, by and between U.S. Bank National Association (the “Trustee”) and the Issuer (the “Master Indenture”), as supplemented by the Supplemental Trust Indenture dated as of August 1, 2017, by and between the Issuer and the Trustee (the “Series 2017 Indenture,” and together with the Master Indenture, the “Indenture”). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

The Series 2017 Bonds will be dated August 17, 2017, will mature on the dates in the principal amounts, and will bear interest and be payable as provided in the Series 2017 Indenture. The Series 2017 Bonds are subject to special optional and mandatory redemption prior to maturity in whole or in part as set forth in the Indenture. Reference is made to the Indenture for the provisions, among others, with respect to the nature and extent of the rights, duties and obligations of the Issuer, the Trustee, and the owners of the Series 2017 Bonds; the terms upon which the Series 2017 Bonds are issued and secured; the collection and disposition of revenues; a description of the properties and interest assigned and pledged; and the provisions relating to modification or amendment of the Indenture, and other matters.

The Series 2017 Bonds do not constitute an obligation of the District, but are special limited obligations of the Issuer payable solely from and secured by the pledged property pledged therefor under the Indenture. The Issuer is not obligated to pay principal of, premium, if any, or interest on the Series 2017 Bonds except from the property pledged therefor under the Indenture. Neither the faith and credit nor the taxing power of the District is pledged to the payment of principal of, premium, if any, and interest on the Series 2017 Bonds. The Issuer has no taxing power.

In connection with the issuance of the Series 2017 Bonds, we have examined the Act, the Indenture and such other opinions, documents, letters and matters of law as we have deemed necessary to render the opinions set forth below.

Based on the foregoing, we are of the opinion that:

1. The Issuer is duly created and validly exists under the Act as a corporate body and an instrumentality of the government of the District with full power to issue, sell and deliver the Series 2017 Bonds.

2. The Indenture has been duly authorized, executed and delivered by the Issuer and creates an assignment and pledge of and lien on the revenues and other moneys pledged under the Indenture. The issuance, sale and delivery of the Series 2017 Bonds have been duly authorized by the Issuer. The Series 2017 Bonds have been duly executed and delivered by the Issuer, authenticated by the Trustee and are valid and binding special limited obligations of the Issuer secured by and payable solely from revenues and other moneys pledged under the Indenture. By the terms of the Indenture, the Series 2017 Bonds are equally and ratably secured in the manner and to the extent set forth in the Indenture and are entitled to the benefit, protection and security of the provisions, covenants, and agreements contained therein. The Indenture and the Series 2017 Bonds are enforceable in accordance with their terms, except to the extent enforcement may be limited by general principles of equity that may permit the exercise in the future by the District and its instrumentalities of the police power inherent in the sovereignty of the District, and applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally, now or hereafter in effect.

3. Interest on the Series 2017 Bonds is included in gross income for federal income tax purposes.

4. Interest on the Series 2017 Bonds is exempt from all District taxation, except estate, inheritance and gift taxes.

The accrual or receipt of interest on the Series 2017 Bonds may otherwise affect a bondowner's income tax liability. The nature and extent of these other tax consequences will depend upon the bondowner's particular tax status and the bondowner's other items of income and deduction. Bond Counsel expresses no opinion regarding such consequences. Purchasers of the Series 2017 Bonds should consult with their tax advisors regarding other federal income tax consequences of holding the Series 2017 Bonds, including, but not limited to, market discount or premium, deductibility of investment interest expense, sale or exchange of the Series 2017 Bonds, backup withholding, state and local taxation, tax-exempt investors, foreign investors, and ERISA.

The opinion we have expressed herein as to the treatment of the interest borne by the Series 2017 Bonds for federal income tax purposes is based upon statutes, regulations, rulings and court decisions in effect on the date hereof. Each purchaser of the Series 2017 Bonds should consult his or her tax advisor regarding any changes in the status of pending or proposed legislation.

In rendering the foregoing opinions, we have assumed the accuracy and truthfulness of all public records and of all certifications, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities and have not verified the accuracy or truthfulness thereof. We have also assumed the genuineness of the signatures appearing upon such public records, certifications, documents and proceedings.

Very truly yours,

**PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT****\$34,444,074****DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY  
FHA-INSURED PASS-THROUGH REVENUE REFUNDING BONDS  
(MULTI-FAMILY DEVELOPMENT PROGRAM)  
SERIES 2017 (FEDERALLY TAXABLE)****CONTINUING DISCLOSURE AGREEMENT**

THIS CONTINUING DISCLOSURE AGREEMENT dated August 17, 2017 (this “Disclosure Agreement”) is executed and delivered by the District of Columbia Housing Finance Agency (the “Agency”), Digital Assurance Certification LLC, as dissemination agent (the “Dissemination Agent”), and U.S. Bank National Association, as trustee (the “Trustee”), for the holders of the above captioned bonds (the “Bonds”). The Bonds are authorized to be issued pursuant to the District of Columbia Housing Finance Agency Act (Chapter 27, Title 42 of the District of Columbia Code), as amended (the “Act”) and the Master Trust Indenture dated as of August 1, 2017 by and between the Agency and the Trustee (the “Master Indenture”), as supplemented by the Supplemental Trust Indenture dated as of August 1, 2017 by and between the Agency and the Trustee (the “Series 2017 Indenture” and together with the Master Indenture, the “Indenture”). The Bonds are also authorized to be issued pursuant to the FHA-Insured Multifamily Housing Revenue Bond General Resolution (“HUD Risk-Sharing Program”) adopted on July 29, 1997, as supplemented and amended by a Supplemental Resolution thereto adopted December 14, 1999 (together, the “General Resolution”). The Agency, the Dissemination Agent and the Trustee covenant and agree as follows:

Section 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Agency, the Dissemination Agent and the Trustee for the benefit of the Holders and the Beneficial Owners of the Bonds and in order to assist the Underwriter (as defined in the Series 2017 Indenture) of the Bonds in complying with the Rule (as defined herein).

The Agency hereby agrees to provide the information described hereinbelow with respect to the Obligated Persons (as defined herein) which information pertaining to the Obligated Persons will be provided to the Agency pursuant to certain Loan Documents (as defined in the Series 2017 Indenture) now in effect between the Agency and the Obligated Persons.

Section 2. Definitions. In addition to the definitions set forth in the Master Indenture and the Series 2017 Indenture, as the case may be, which apply to any capitalized term used in this Disclosure Agreement, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Financial Information” means annual financial statements (which may, but are not required to, be Audited Financial Statements) and the financial information or operating data with respect to the Projects, provided at least annually.

“Audited Financial Statements” means the annual audited financial statements, if any, with respect to each Obligated Person.

“Beneficial Owners” means any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds, including persons holding Bonds through nominees or depositories.

“Dissemination Agent” means Digital Assurance Certification LLC, or any successor Dissemination Agent designated in writing by the Agency and which has filed with the Trustee and the Agency a written acceptance of such designation.

“Holders” means either the registered owners of the Bonds, or, if the Bonds are registered in the name of The Depository Trust Company or another recognized depository, any applicable participant in its depository system.

“Listed Events” means any of the events listed in Section 4(a) of this Continuing Disclosure Agreement.

“Listed Event Notice” means written or electronic notice of a Listed Event, which written or electronic notice shall be designated as a “Listed Event Notice” and shall prominently state the date, title and CUSIP numbers of the Bonds.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934. All documents provided to the MSRB shall be in an electronic format and accompanied by identifying information, as prescribed by the MSRB. Until otherwise designated by the MSRB or the Securities and Exchange Commission, all document submissions to the MSRB pursuant to this Disclosure Agreement are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Obligated Person” shall mean any borrower that has received a mortgage loan from the Agency which is pledged as security for the Bonds under the Series 2017 Indenture.

Section 3. Provision of Annual Reports. While any Bonds are outstanding the Agency shall cause the Dissemination Agent to provide to all Holders requesting such information and the MSRB (i) the Annual Financial Information not later than 240 days following the end of the Obligated Person’s fiscal year (the “Agency Report Date”) or (ii) notice on or before the Agency Report Date of the Agency’s failure, if any, to provide such Annual Financial Information. If the Dissemination Agent is to provide the Annual Financial Information, then not later than fifteen (15) Business Days prior to the Agency Report Date, the Agency shall provide the Annual Financial Information to the Dissemination Agent. The Agency shall include with each such submission of Annual Financial Information to the Dissemination Agent a written representation addressed to the Dissemination Agent, upon which the Dissemination Agent may conclusively rely, to the effect that the Annual Financial Information is the Annual Financial Information required to be provided by it pursuant to this Disclosure Agreement and that it complies with the applicable requirements of this Disclosure Agreement. In each case, the Annual Financial Information may be submitted as a single document or as a set of documents, and all or any part of such Annual Financial Information may be provided by specific cross reference to other documents previously provided to the MSRB, or filed with the Securities and Exchange Commission and, if such a document is an Official Statement within the meaning of the Rule, available from the MSRB, as provided in the definition of Annual Financial Information. The Audited Financial Statements, if any, may, but are not required to be, provided as a part of the Annual Financial Information.

(a) If not provided as part of the Annual Financial Information, the Agency shall deliver to the Dissemination Agent and cause the Dissemination Agent to provide Audited Financial Statements when and if available while any Bonds are Outstanding, to all Holders requesting such information and the MSRB.

(b) If by 15 Business Days prior to any Agency Report Date, the Dissemination Agent has not received a copy of the Annual Financial Information, the Dissemination Agent shall contact the Agency to give notice that the Dissemination Agent has not received the Annual Financial Information and that such information must be provided to the MSRB by the applicable Agency Report Date.

(c) The Dissemination Agent shall:

(i) determine prior to the Agency Report Date the name and address of the MSRB and the current manner in which document submissions shall be made to the MSRB; and

(ii) to the extent the Agency has provided the Annual Financial Information to the Dissemination Agent and required such information be sent to the MSRB, file a report with the Agency certifying that the Annual Financial Information has been provided by the Dissemination Agent to the

MSRB, pursuant to this Disclosure Agreement, stating the date such Annual Financial Information was provided.

(d) If the Dissemination Agent does not receive the Annual Financial Information from the Agency by the applicable Agency Report Date, the Dissemination Agent shall, without further direction or instruction from the Agency, provide to the MSRB notice of any such failure to provide to the Dissemination Agent Annual Financial Information by the Agency Report Date. For the purposes of determining whether information received from the Agency is Annual Financial Information, the Dissemination Agent shall be entitled conclusively to rely on the written representation made by the Agency pursuant to this Section.

(e) Annual Financial Information shall include updated financial and operating information, in each case updated through the last day of the Obligated Person's prior fiscal year unless otherwise noted, relating to the following information contained in the Official Statement:

(i) annual summary compilation of the information reported for each of the Mortgage Loans (as defined in the Series 2017 Indenture) as described in the Official Statement under "Security for the Series 2017 Bonds and Sources of Payment – Information Available to Bondholders"; and

(ii) information as to changes, if any, in the information set forth in the Official Statement under the heading "Appendix I – Certain Information Regarding the Series 2017 Loans."

If the Annual Financial Information contains amendments to previously reported financial and operating information then an explanation, in narrative form, of the reasons for such amendments and the impact of the change in the type of operating data or financial information being provided shall also be included.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements pertaining to debt issued by the Agency, which have been submitted to the MSRB or the Securities and Exchange Commission. If the document incorporated by reference is a Final Official Statement (within the meaning of Rule 15c2-12), it must also be available from the MSRB. The Agency shall clearly identify each such other document so incorporated by reference.

#### Section 4. Reporting of Listed Events.

(a) While any Bonds are Outstanding, the Agency shall provide a Listed Event Notice in a timely manner to the Dissemination Agent and shall instruct the Dissemination Agent to provide such Listed Event Notice to the MSRB, in a timely manner, not in excess of ten Business Days after the occurrence of the following events:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on debt service reserves reflecting financial difficulty;

(iv) unscheduled draws on credit enhancements reflecting financial difficulty;

(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) 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 or determinations with respect to the tax-exempt status of the Bonds or other material events affecting the tax-exempt status of the Bonds;

(vii) modifications to rights of Holders, if material;

(viii) Bond calls, if material;

- (ix) defeasance of the Bonds;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;

(xii) bankruptcy, insolvency, receivership or similar event of an Obligated Person. For purposes of this clause (xii), any such event shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, 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 Obligated Person;

(xiii) the consummation of a merger, consolidation, or acquisition involving the Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, 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; and

(xiv) appointment of a successor or additional trustee or paying agent or the change of the name of a trustee or paying agent, if material.

The Trustee shall promptly advise the Agency of the occurrence of any event with respect to the Bonds of which the Trustee has actual knowledge which, if material, would constitute a Listed Event. For purposes of this Disclosure Agreement, “actual knowledge” of such event shall mean knowledge by a responsible officer of the Trustee at the corporate trust office of the existence of such event. Notwithstanding anything to the contrary herein, the Trustee shall have no duty to determine the materiality of any such event.

(b) If the Agency provides to the Dissemination Agent information relating to the Bonds, which information is not designated as a Listed Event Notice, and directs the Dissemination Agent to provide such information to the MSRB, the Dissemination Agent shall provide such information in a timely manner to the MSRB, and to all Holders requesting such information.

Section 5. Termination of Reporting Obligation. The Agency’s, the Dissemination Agent’s and the Trustee’s obligations under this Disclosure Agreement shall automatically terminate once the Bonds are no longer outstanding or, with respect to the Trustee or the Dissemination Agent, as appropriate, upon the resignation or removal of the Trustee or the Dissemination Agent.

Section 6. Dissemination Agent. The Agency may, from time to time, appoint or engage a substitute Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent, upon notice to the Dissemination Agent, with notice to and the consent of the Agency. The Dissemination Agent may resign at any time by providing 30 days’ written notice to the Agency.

Section 7. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Agency, the Dissemination Agent and the Trustee may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived by the parties hereto, except to the extent any such amendment or waiver affects the rights of the Agency as provided in this Disclosure Agreement, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, acceptable to the Agency and the Trustee, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof (but taking into account any subsequent change in or official interpretation of the Rule), provided that the Agency shall have provided notice of such delivery and of the amendment to the MSRB, provided that neither the Trustee nor the Dissemination Agent shall be obligated to agree to any amendment that modifies the duties or liabilities of the Dissemination Agent or the Trustee without their



respective consent thereto. Any such amendment shall satisfy, unless otherwise permitted by the Rule, the following conditions:

(i) The amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the obligated person or type of business conducted;

(ii) This Disclosure Agreement, as amended, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(iii) The amendment does not materially impair the interests of Beneficial Owners and Holders of any of the Bonds, as determined either by parties unaffiliated with the Obligated Person (such as counsel expert in federal securities laws), or by an approving vote of Holders pursuant to the terms of the Indenture at the time of the amendment. The initial Annual Financial Information after the amendment shall explain, in narrative form, the reasons for the amendment and the effect of the change, if any, in the type of operating data or financial information being provided.

Section 8. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Agency 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 Financial Information or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Agency chooses to include any information in any Annual Financial Information or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Agency shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Financial Information or notice of occurrence of a Listed Event.

Section 9. Default. In the event of a failure of the Agency, the Dissemination Agent or the Trustee to comply with any provision of this Disclosure Agreement, the Trustee, at the written direction of the Holders of at least a majority in aggregate principal amount of Outstanding Bonds, shall, but only to the extent the Trustee receives indemnification to its satisfaction, or any Beneficial Owner or Holder of any of the Bonds may, seek mandamus or specific performance by court order to cause the Agency or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement; provided that neither the Agency nor the Dissemination Agent shall be liable for monetary damages or any other monetary penalty or payment for breach of any of its obligations under this Section. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture, the Loan Documents (as defined in the Series 2017 Indenture) or any other agreements executed in connection with the issuance of the Bonds and the funding of the Mortgage Loans and the rights and remedies provided by the Indenture and the Loan Documents upon the occurrence of an “Event of Default” shall not apply to any such failure. The sole remedy under this Disclosure Agreement in the event of any failure of the Agency, the Dissemination Agent or the Trustee to comply with this Disclosure Agreement shall be an action to compel performance.

Section 10. Duties, Immunities and Liabilities of Trustee and Dissemination Agent. Article XI of the Master Indenture is hereby made applicable to the Trustee and the Dissemination Agent under this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Indenture and the Dissemination Agent shall be entitled to the benefits, protections and provisions thereof to the same extent as the Trustee. The Dissemination Agent (if other than the Trustee, or the Trustee in its capacity as Dissemination Agent) and the Trustee shall have only such duties as are specifically set forth in this Disclosure Agreement. The Dissemination Agent and Trustee shall be paid compensation by the Agency for its services provided hereunder and all expenses, legal fees and advances made or incurred by the Dissemination Agent hereunder. The Dissemination Agent and Trustee shall have no duty or obligation to review any information provided to it by the Agency and shall not be deemed to be acting in a fiduciary capacity for the Agency, the Holders or Beneficial Owners of the Bonds or any other party. The obligations of the Agency under this Section shall survive resignation or removal of the Dissemination Agent or Trustee and payment of the Bonds.

Section 11. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Agency, the Trustee, the Dissemination Agent, and the Beneficial Owners and Holders of any Bonds and shall create no rights in any other person or entity, except for those rights reserved to the Agency.

Section 12. Interpretation. It being the intention of the Agency that there be full and complete compliance with the Rule, this Disclosure Agreement shall be construed in accordance with the written guidance and no action letters published from time to time by the Securities and Exchange Commission and its staff with respect to the Rule.

Section 13. Governing Law. This Disclosure Agreement shall be governed by the laws of the District of Columbia.

Section 14. Dissemination Agent's Compensation. For its services hereunder the Dissemination Agent shall be paid a fee of \$500 per year, to be paid annually, payable as provided in the Indenture.

[Remainder of page intentionally left blank]

Section 15. 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.

**DISTRICT OF COLUMBIA, HOUSING FINANCE  
AGENCY**, as Agency

By: \_\_\_\_\_  
Todd A. Lee  
Executive Director/CEO

[COUNTERPART SIGNATURE PAGE TO CONTINUING DISCLOSURE AGREEMENT]

**DIGITAL ASSURANCE CERTIFICATION LLC**, as  
Dissemination Agent

By: \_\_\_\_\_  
Name:  
Title:

[Signatures continued on next page]

[COUNTERPART SIGNATURE PAGE TO CONTINUING DISCLOSURE AGREEMENT]

**U.S. BANK NATIONAL ASSOCIATION,**  
as Trustee

By: \_\_\_\_\_  
M. Dorsel Robinson  
Vice President

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