

*In the opinion of Bond Counsel, under existing law and assuming compliance with the tax covenants described herein and the accuracy of certain representations and certifications made by the Issuer and the Borrower and described herein, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), except that no opinion is expressed as to the exclusion of interest from gross income for any period during which such Bond is held by a person who, within the meaning of Section 147(a) of the Code, is a "substantial user" of the facilities financed with proceeds of the Bonds or a "related person". Bond Counsel is further of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. Bond Counsel is further of the opinion that interest on the Bonds is exempt from personal income taxation imposed by the State of New York or any political subdivision of the State of New York. See "Tax Matters" herein regarding certain other tax considerations.*

**\$24,180,000**

**DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION**  
**Multifamily Tax-Exempt Mortgage-backed Bonds**  
**(M-TEBS) (SOCIAL†) Series 2023**  
**(Tompkins Terrace Housing, L.P. Project)**

**Dated: September 1, 2023****Interest Rate: 5.00%****Offering Price: 100%****Bond Maturity Date: October 1, 2040****CUSIP: 26704A AA9**

The Dutchess County Local Development Corporation Multifamily Tax-Exempt Mortgage-backed Bonds (M-TEBS) (SOCIAL†) Series 2023 (Tompkins Terrace Housing, L.P. Project) (the "Bonds") will be issued under and pursuant to an Indenture of Trust, dated as of September 1, 2023 (the "Indenture"), between Dutchess County Local Development Corporation (the "Issuer") and U.S. Bank Trust Company, National Association, a national banking association, as trustee (the "Trustee").

The Bonds are issuable only as fully registered bonds without coupons and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository of the Bonds. Individual purchases will be made in book-entry form only, in the denominations of \$1,000 or any integral multiple of \$1.00 in excess thereof. Purchasers will not receive certificates representing their interest in Bonds purchased. Principal and interest on the Bonds are payable by the Trustee to DTC, which will be responsible for remitting such principal and interest to its Participants, which will be responsible for remitting such principal and interest to the Beneficial Owners of the Bonds, as described under "APPENDIX F – BOOK-ENTRY SYSTEM" herein.

The Bonds will be issued to finance the acquisition and rehabilitation of a low and moderate income multifamily rental housing facility through the purchase by the Trustee of a single mortgage pass-through certificate (the "MBS") guaranteed as to timely payment of principal and interest by the Federal National Mortgage Association, if and when issued. It is anticipated that, prior to the delivery of the MBS, the principal of and interest on the Bonds will be paid from amounts on deposit in the Revenue Fund and the Bond Proceeds Fund along with the investment earnings thereon. See "SECURITY FOR AND SOURCES OF PAYMENT FOR THE BONDS" herein.



The aggregate principal amount, aggregate face amount (if different), maturity date, interest rate and delivery date for the Bonds shall be as set forth in the Indenture and shall be described in the Term Sheet attached as Appendix H hereto delivered by the Issuer in connection with the sale of the Bonds.

Prior to the MBS Delivery Date (as defined herein), principal, if due, and interest on the Bonds will be payable monthly on the 26th day of the month, or the next succeeding Business Day if such 26th day is not a Business Day, commencing October 26, 2023, until and including the 26th day of the month in which the MBS Delivery Date occurs. The MBS is expected to be delivered by the MBS Delivery Date, initially defined as October 25, 2023. Commencing in the first month after the month in which the MBS Delivery Date occurs, principal, if due, and interest will be payable on the first Business Day following receipt of a payment representing principal, if due, and interest under the MBS.

**THE BONDS AND THE INTEREST THEREON ARE LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM THE TRUST ESTATE PLEDGED THEREFOR UNDER THE INDENTURE. NONE OF THE STATE, NOR ANY OTHER POLITICAL SUBDIVISION OR BODY CORPORATE AND POLITIC, OR AGENCY, OF THE STATE OR THE ISSUER (EXCEPT TO THE LIMITED EXTENT PROVIDED IN THE INDENTURE) SHALL IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS OR FOR THE PERFORMANCE OF ANY PLEDGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER OF THE ISSUER, AND NEITHER THE BONDS NOR ANY OF THE ISSUER'S AGREEMENTS OR OBLIGATIONS SHALL BE CONSTRUED TO CONSTITUTE AN INDEBTEDNESS OF THE STATE, OR ANY OTHER POLITICAL SUBDIVISION OR BODY CORPORATE AND POLITIC OF THE STATE OR THE ISSUER (EXCEPT TO THE LIMITED EXTENT PROVIDED IN THE INDENTURE), WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER. THE ISSUER HAS NO TAXING POWER.**

The Bonds are offered when, as and if received by KeyBanc Capital Markets Inc. (the "Underwriter"), subject to the approval of legality by Nixon Peabody LLP, Rochester, New York, Bond Counsel. Certain legal matters will be passed upon for the Borrower by its counsel, Levitt & Boccio, LLP, New York, New York, for the Issuer by its counsel, Cappillino Rothschild & Egan LLP, Pawling, New York, and for the Underwriter by its counsel, Tiber Hudson LLC, Washington, D.C. It is expected that the Bonds will be available in book-entry form through the facilities of DTC in New York, New York on or about September 12, 2023.



Dated: September 6, 2023

† The Bonds are captioned as "Social" based on the Borrower's expectation of the Project meeting the Social criteria for MBS under the Fannie Mae Sustainable Framework and not any social standard established by the Issuer. See "APPENDIX J—FANNIE MAE SUSTAINABLE FRAMEWORK" herein. The Issuer has not determined that the Bonds themselves qualify for designation as Social and has not made an independent determination as to whether the Project qualifies as Social.

*No dealer, broker, salesman or other person has been authorized by the Issuer or the Underwriter to give any information or to make any representations other than those 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 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.*

*Prospective purchasers must read this entire Official Statement (including the cover page and all appendices hereto) to obtain all of the information essential to the making of an informed investment decision.*

*References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Neither the Issuer nor the Underwriter has been able to verify the accuracy or completeness of the information contained in website addresses set forth in this Official Statement or to verify that such information is accurate and complete as of the date of this Official Statement. Investors reviewing such information must rely on the providers of such information for its accuracy and completeness in making any investment decisions regarding the Bonds. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.*

*The information set forth herein has been obtained from the Borrower, the Issuer and other sources which are believed to be reliable, but it 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 Borrower, the Issuer or any other parties described herein since the date as of which such information is presented.*

*In connection with this offering, the Underwriter may over-allot or effect transactions which stabilize or maintain the market price of the Bonds offered hereby 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 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, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.*

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

*No registration statement relating to the Bonds has been filed with the United States Securities and Exchange Commission (the "Commission") or with any state securities agency. The 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.*

*CUSIP data herein are provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the Issuer and are included solely for the convenience of the holders of the Bonds. The Issuer is not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions.*

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## OFFICIAL STATEMENT

relating to

**\$24,180,000**

**Dutchess County Local Development Corporation  
Multifamily Tax-Exempt Mortgage-backed Bonds  
(M-TEBS) (SOCIAL<sup>†</sup>) Series 2023  
(Tompkins Terrace Housing, L.P. Project)**

### INTRODUCTION

This Official Statement (which includes the cover page and appendices hereto) provides certain information in connection with the issuance and sale of the \$24,180,000 Multifamily Tax-Exempt Mortgage-backed Bonds (M-TEBS) (SOCIAL<sup>†</sup>) Series 2023 (Tompkins Terrace Housing, L.P. Project) (the “Bonds”) issued by Dutchess County Local Development Corporation (the “Issuer”). The Bonds will be issued pursuant to the provisions of Section 1411 of the New York Not-for-Profit Corporation Law (the “Act”), and that certain resolution adopted on July 12, 2023 (the “Resolution”) and secured by an Indenture of Trust, dated as of September 1, 2023 (the “Indenture”), between the Issuer and U.S. Bank Trust Company, National Association, a national banking association, as trustee (the “Trustee”). Pursuant to the Indenture and the Financing Agreement, dated as of September 1, 2023 (the “Financing Agreement”), among the Issuer, the Trustee, and Tompkins Terrace Housing, L.P., a New York limited partnership (the “Borrower”), the Issuer is issuing the Bonds to provide financing for a certain multifamily rental housing development known as Tompkins Terrace Housing, L.P. (the “Project”) in the City of Beacon, New York (the “State”), as further described in the Term Sheet attached as Appendix H to this Official Statement (the “Term Sheet”), and to facilitate the delivery of the MBS (as defined below) guaranteed by the Federal National Mortgage Association (“Fannie Mae”). With respect to the MBS, the Borrower expects the Project to meet the Social MBS criteria under the Fannie Mae Sustainable Framework, as hereinafter described. See “APPENDIX J — FANNIE MAE SUSTAINABLE FRAMEWORK” herein. **The Fannie Mae Sustainable Framework criteria is specific to the MBS securing the Bonds and not to the Bonds themselves.**

All capitalized terms used in this Official Statement that are defined in the Indenture shall have the respective meanings set forth in the Indenture. See “APPENDIX B – DEFINITIONS OF CERTAIN TERMS.”

The Issuer, the Borrower and KeyBanc Capital Markets Inc. (the “Underwriter”) have entered into a Bond Purchase Agreement (the “Bond Purchase Agreement”), pursuant to which the Issuer will agree to sell the Bonds to the Underwriter. The transaction entered into under the Bond Purchase Agreement will provide for the issuance and sale to the Underwriter of the Bonds in a specified principal amount, with a specified interest rate, on a specified date and at a specified price. The delivery of the Bonds is subject to the satisfaction of a number of conditions set forth in the Bond Purchase Agreement.

The Bonds will be issued to finance the Project through the purchase of a single mortgage pass-through certificate (the “MBS”) guaranteed as to principal and interest by Fannie Mae, if and when issued. The MBS will not be available for purchase on the date of issuance of the Bonds (the “Closing Date”) but is expected to be available for acquisition by the Trustee prior to the MBS Delivery Date Deadline, as specified in the Term Sheet. The MBS will be backed by a 17-year, fixed-rate mortgage loan (the “Mortgage Loan”) secured by a mortgage constituting a first lien on the Project. The Mortgage Loan will be made to the Borrower as mortgagor and owner of the Project on the Closing Date. See “THE MORTGAGE LOAN” herein and “APPENDIX A – FANNIE MAE MORTGAGE-BACKED SECURITIES PROGRAM” attached hereto.

On the Closing Date, and prior to the date of delivery by Fannie Mae of the MBS (the “MBS Delivery Date”), the Bonds will be secured by (i) the proceeds of the Bonds equal to the principal amount thereof delivered to the Trustee and deposited into the Bond Proceeds Fund established under the Indenture and (ii) Eligible Funds, delivered

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<sup>†</sup> The Bonds are captioned as “Social” based on the Borrower’s expectation of the Project meeting the Social criteria for MBS under the Fannie Mae Sustainable Framework and not any social standard established by the Issuer. See “APPENDIX J—FANNIE MAE SUSTAINABLE FRAMEWORK” herein. The Issuer has not determined that the Bonds themselves qualify for designation as Social and has not made an independent determination as to whether the Project qualifies as Social.

to the Trustee and deposited into the Negative Arbitrage Account of the Revenue Fund established under the Indenture, in an amount equal to the interest on the Bonds at the pass-through rate from the Bond Dated Date (as specified in the Term Sheet) to, but not including, the date that is five (5) calendar days after the MBS Delivery Date Deadline (collectively, the “Cash Collateral”). Prior to the MBS Delivery Date, the principal of, premium, if any, and interest on the Bonds will be paid from amounts on deposit in the Revenue Fund and the Bond Proceeds Fund along with the investment earnings thereon. Following the MBS Delivery Date, the Bonds will be secured by, and the principal of and interest thereon will be paid from, payments made on the MBS. See “SECURITY FOR AND SOURCES OF PAYMENT FOR THE BONDS” herein.

On the MBS Delivery Date, amounts on deposit in the Bond Proceeds Fund will be used by the Trustee to purchase the MBS, which will then secure the payment of the Bonds. On or prior to the Closing Date, Fannie Mae will enter into a commitment with KeyBank National Association (the “Lender”), the Fannie Mae-approved lender of the Mortgage Loan, to deliver the MBS to the Trustee for purchase. The commitment to deliver the MBS is subject to the satisfaction of certain requirements and preconditions and does not extend to the benefit of any other third party, including the beneficial owners of the Bonds, the Issuer or the Trustee. No representations or assurances can be provided as to whether or not such conditions can or will be satisfied.

If the MBS is not delivered on or before the MBS Delivery Date Deadline (as defined herein), as such date may be extended pursuant to the terms of the Indenture, then funds then on deposit in the Bond Proceeds Fund and the Revenue Fund will be used to redeem the Bonds as set forth in the Indenture. The Bonds are also subject to mandatory redemption in whole or in part as further described herein. See “DESCRIPTION OF THE BONDS — Mandatory Redemption of Bonds.”

Following the MBS Delivery Date, the principal amount of the Bonds Outstanding will equal the then-current principal amount of the MBS, which will equal the product of the original aggregate principal amount of the Mortgage Loan and the then-applicable factor posted by Fannie Mae as the Mortgage Loan amortizes or is otherwise prepaid (the “Monthly Pool Factor”). Monthly Pool Factors with respect to MBSs can be accessed through DUS Disclose on Fannie Mae’s website at <https://mfdusdisclose.fanniemae.com/#/home>.

The Bonds shall bear interest on the outstanding principal amount thereof at the interest rate set forth on the cover page hereof and in the Term Sheet (the “Pass-Through Rate”). Prior to the MBS Delivery Date, principal, if due, and interest on the Bonds will be payable monthly on the 26th day of the month, or the next succeeding Business Day if such 26th day is not a Business Day, commencing October 26, 2023, until and including the 26th day of the month in which the MBS Delivery Date occurs. The MBS is expected to be delivered by the MBS Delivery Date, initially defined as October 25, 2023. Commencing in the first month after the month in which the MBS Delivery Date occurs, principal, if due, and interest will be payable on the first Business Day following receipt of a payment representing principal, if due, and interest under the MBS. Principal and interest on the Bonds are payable by the Trustee to DTC, which will be responsible for remitting such principal and interest to its Participants, which will be responsible for remitting such principal and interest to the Beneficial Owners of the Bonds. The payment of interest on each Payment Date shall relate to the interest accrued during the preceding calendar month.

The Bonds are limited obligations of the Issuer, payable solely from and secured by the pledge pursuant to the Indenture of the Trust Estate, consisting of revenues from the MBS (the “MBS Revenues”) and other funds pledged therefor under the Indenture. See “SECURITY FOR AND SOURCES OF PAYMENT FOR THE BONDS.”

**THE BONDS AND THE INTEREST THEREON ARE LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM THE TRUST ESTATE PLEDGED THEREFOR UNDER THE INDENTURE. NONE OF THE STATE, NOR ANY OTHER POLITICAL SUBDIVISION OR BODY CORPORATE AND POLITIC, OR AGENCY, OF THE STATE OR THE ISSUER (EXCEPT TO THE LIMITED EXTENT PROVIDED IN THE INDENTURE) SHALL IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS OR FOR THE PERFORMANCE OF ANY PLEDGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER OF THE ISSUER, AND NEITHER THE BONDS NOR ANY OF THE ISSUER’S AGREEMENTS OR OBLIGATIONS SHALL BE CONSTRUED TO CONSTITUTE AN INDEBTEDNESS OF THE STATE, OR ANY OTHER POLITICAL SUBDIVISION OR BODY CORPORATE AND POLITIC OF THE STATE OR THE ISSUER (EXCEPT TO THE LIMITED EXTENT PROVIDED IN THE INDENTURE), WITHIN THE MEANING OF**

**ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER. THE ISSUER HAS NO TAXING POWER.**

Descriptions, certain definitions and final terms of the Bonds, the Borrower, the Project, the Mortgage Loan and the MBS, are included in the Term Sheet. All summaries or descriptions herein of documents and agreements are qualified in their entirety by reference to such documents and agreements and all summaries herein of the Bonds are qualified in their entirety by reference to the Indenture and the provisions with respect thereto included in the aforesaid documents and agreements. Copies of the Indenture and the Financing Agreement are available for inspection at the office of the Trustee. The Borrower will provide certain information on an ongoing basis to the Municipal Securities Rulemaking Board (the "MSRB"). For a description of the Borrower's undertaking with respect to ongoing disclosure, see "CONTINUING DISCLOSURE" herein.

**THE ISSUER**

*The following information has been provided by the Issuer for use herein. While the information is believed to be reliable, none of the Trustee, the Borrower, the Underwriter, the Lender, Fannie Mae nor any of their respective counsel, members, officers or employees makes any representations as to the accuracy or sufficiency of such information.*

**Purpose and Powers**

The Issuer is a not-for-profit local development corporation having an office for the transaction of business located at 3 Neptune Road, Poughkeepsie, New York 12601. The Issuer was formed pursuant to the Act for the charitable and public purposes of benefiting and furthering the activities of Dutchess County (the "County") and contiguous counties which do not have an established local development corporation, solely upon the request of such contiguous county, more specifically, the Issuer shall act as a local development corporation in the territory in which its operations are principally to be conducted, by conducting activities that will relieve and reduce unemployment; promote and provide for additional and maximum employment; better and maintain job opportunities; instruct or train individuals to improve or develop their capabilities for such jobs; carry on scientific research for the purpose of aiding the territory in which its operations are principally to be conducted by attracting new industry to the territory in which its operations are principally to be conducted; or by encouraging the development of, or retention of, an industry in the territory in which its operations are principally to be conducted; and lessening the burdens of government and acting in the public interest.

Under the Act, the Issuer has the power to acquire, improve, maintain, equip and furnish projects, to lease such projects and collect rent; to sell and convey any and all of its property whenever the Board of Directors shall find such action to be in furtherance of the purposes for which it was organized; and to issue bonds for the purpose of carrying out any of its powers; all bonds are payable solely out of revenues and receipts derived from the leasing or sale by the Issuer of its projects, or from loans made by the Issuer.

**Limited Recourse on the Bonds and the Issuer**

THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE PAYMENTS MADE UNDER THE FINANCING AGREEMENT AND FROM THE MONEYS AND SECURITIES HELD BY THE TRUSTEE UNDER THE INDENTURE. NEITHER THE ISSUER NOR ITS MEMBERS OR OFFICERS ARE PERSONALLY LIABLE WITH RESPECT TO THE BONDS. ACCORDINGLY, NO FINANCIAL INFORMATION WITH RESPECT TO THE ISSUER OR ITS MEMBERS OR OFFICERS HAS BEEN INCLUDED IN THIS OFFICIAL STATEMENT.

THE BONDS SHALL NOT BE A DEBT OF THE STATE OR THE COUNTY, AND NEITHER THE STATE NOR THE COUNTY SHALL BE LIABLE THEREON. THE ISSUER HAS NO TAXING POWER.

Except for the information contained herein under the caption "THE ISSUER" and "NO LITIGATION" insofar as it relates to the Issuer, the Issuer has not provided any of the information contained in this Official Statement. The Issuer is not responsible for and does not certify as to the accuracy or sufficiency of the disclosures made herein or any other information provided by the Borrower, the Underwriter or any other person.

## DESCRIPTION OF THE BONDS

### General

The Bonds will be issued in the denominations of \$1,000 or any integral multiple of \$1.00 in excess thereof. The Bonds are issuable only as fully registered bonds without coupons and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only. Purchasers will not receive bonds representing their interest in the Bonds purchased. See “APPENDIX F — BOOK-ENTRY SYSTEM.”

The Bonds will be dated and have a final maturity date and a final payment date on the respective dates identified in the Term Sheet and on the cover page hereof. The Bonds will bear interest from their dated date at the Pass-Through Rate set forth in the Term Sheet. Interest on the Bonds shall be computed for the actual number of days which have elapsed, on the basis of a 360-day year. The payment of interest on each Payment Date shall relate to the interest accrued during the preceding calendar month.

Interest on the Bonds will be payable on each Payment Date to the Bondholders of record as of the applicable Record Date.

Prior to the MBS Delivery Date, all payments of interest with respect to the Bonds will be paid to the Bondholders by the Trustee from funds held in the Revenue Fund under the Indenture. Commencing in the first month after the month in which the MBS Delivery Date occurs, on the first Business Day following receipt of a payment representing principal, if due, and interest under the MBS, the Trustee will pay to the Bondholders of record as of the applicable Record Date the amount so received as a payment of principal, if due, and interest on the Bonds. All payments of principal and interest with respect to the Bonds will be paid to the Bondholders in proportion to the principal amount of each Bond owned by each such owner as set forth on the records of the Trustee as of the applicable Record Date.

The Bonds are captioned Social based on the expectation that the Project will meet the Social criteria for MBS under the Fannie Mae Sustainable Framework and not any social standard established by the Issuer. Fannie Mae, the Issuer and the Borrower have not determined that the Bonds themselves qualify for designation as “social”; such designation has been applied to the Bonds based on the expected designation of the Mortgage Loan and the MBS. See “APPENDIX J — FANNIE MAE SUSTAINABLE FRAMEWORK” herein. The Issuer has not made an independent determination as to whether the Project qualifies as social.

So long as Cede & Co. or another nominee designated by DTC is the registered owner of the Bonds, principal and interest on the Bonds are payable by the Trustee to DTC, which will be responsible for remitting such principal and interest to its Participants, which will be responsible for remitting such principal and interest to the Beneficial Owners of the Bonds. See “APPENDIX F — BOOK-ENTRY SYSTEM.” *So long as Cede & Co. is the registered owner of the Bonds, all references in this Official Statement to the owners or holders of the Bonds, means Cede & Co. and not the Beneficial Owners of the Bonds.*

### Transfer of Bonds

While DTC is securities depository for book-entry Bonds, the transfer of beneficial ownership of Bonds shall take place as described in “APPENDIX F — BOOK-ENTRY SYSTEM.” If DTC were to terminate its status as securities depository for the Bonds and, as a result, the Bonds were no longer book-entry securities, no transfer of a Bond will be made unless made upon the records of the Issuer kept for that purpose at the corporate trust office of the Trustee, by the registered owner of the Bond or by its attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee. Upon the transfer of any such Bond, the Issuer shall issue and the Trustee shall authenticate and deliver to and in the name of the transferee a new fully registered Bond, of the same series, aggregate principal amount, interest rate, maturity and other terms as the surrendered Bond.

At all times, the Issuer and the Trustee may deem and treat the person in whose name any Bond shall be registered upon the records of the Issuer as the absolute owner of such Bond, whether such Bond shall be a book-entry security or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond



and for all other purposes and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

### **Mandatory Redemption of Bonds**

The Bonds are subject to mandatory redemption under the Indenture as follows:

Mandatory Redemption Prior to MBS Delivery Date. On any Payment Date that occurs prior to or during the month in which the MBS is delivered to the Trustee, the Bonds are subject to mandatory redemption in part in an amount equal to the amount due on the first day of the month in which such Payment Date occurs as shown in the Mortgage Loan Amortization Schedule, payable with respect to principal, from money on deposit in the Bond Proceeds Fund, and with respect to interest, from money on deposit in the Revenue Fund or other Eligible Funds.

Mandatory Redemption Upon Failure to Purchase the MBS by the MBS Delivery Date Deadline. The Bonds are subject to mandatory redemption in whole five (5) calendar days after the MBS Delivery Date Deadline at a Redemption Price equal to 100% of the Outstanding principal amount thereof, plus interest accrued but unpaid from the first day of the month in which the last Payment Date occurred (or, if no Payment Date has occurred, from the Bond Dated Date) to, but not including, such redemption date, if the MBS Delivery Date has not occurred on or prior to the MBS Delivery Date Deadline, payable with respect to principal first, from money on deposit in the Bond Proceeds Fund, and with respect to premium, if any, and interest, from money on deposit in the Revenue Fund.

Mandatory Redemption on the MBS Delivery Date. The Bonds are subject to mandatory redemption in part on the MBS Delivery Date at a Redemption Price equal to 100% of the principal amount of the Bonds to be redeemed, plus interest accrued but unpaid from the first day of the month in which the last Payment Date occurred to, but not including, the MBS Delivery Date, in an amount equal to the difference between (i) the principal amount of the MBS purchased on the MBS Delivery Date and (ii) the aggregate principal amount of the Bonds Outstanding as of the first day of the month in which the MBS Delivery Date occurred, payable with respect to principal first, from money on deposit in the Bond Proceeds Fund, and with respect to interest and premium, if any, from money on deposit in the Revenue Fund and other Eligible Funds.

Mandatory Redemption Following the MBS Delivery Date. Following the MBS Delivery Date, the Bonds are subject to mandatory redemption in whole or in part one Business Day after the date on which each principal payment or prepayment is received pursuant to the MBS, at a Redemption Price equal to 100% of the principal amount, plus interest and premium, if any, received pursuant to the MBS.

Mandatory Redemption in Lieu of Exchange. The Bonds are subject to mandatory redemption in whole or in part pursuant to the Indenture for an amount equal to the outstanding par amount plus accrued interest in lieu of delivering to the Beneficial Owner of the Bonds its proportional interest in the MBS based upon its proportional interest in the Bonds. Any such redemption shall be made in the amounts, from the sources and in accordance with the provisions of the Indenture. See “Optional Exchange of Bonds for MBS” below.

Notwithstanding anything to the contrary in the Indenture, the Bonds are not subject to optional redemption, but are subject to redemption prior to maturity in connection with a prepayment of the Mortgage Loan, as set forth in the Indenture. See “APPENDIX H – TERM SHEET – Prepayment Premium Term” and “APPENDIX H – TERM SHEET – Prepayment Premium End Date” hereto.

See “DESCRIPTION OF THE BONDS – Optional Exchange of Bonds for MBS” herein and “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Mandatory Redemption of Bonds” attached hereto.

### **Optional Exchange of Bonds for MBS**

Following delivery of the MBS to the Trustee, a Beneficial Owner of Bonds may file with the Trustee a written request, in the form attached as an exhibit to the Indenture or such other form as may be approved by the Trustee (the “Request Notice”), to exchange Bonds for a like principal amount of the MBS, provided, that (i) the MBS will be, when delivered, in a face amount equal to \$1,000 or a multiple of \$1.00 in excess thereof, and (ii) the Project

is complete and placed in service by the Borrower for purposes of Section 42 of the Code. The Request Notice must be delivered to the Trustee at least five (5) Business Days prior to the Exchange Date (as defined in the Request Notice). See “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Exhibit A — Form of Notice of Request to Exchange” hereto.

Upon the Trustee’s receipt of a Request Notice, an independent party reasonably qualified in the sale of mortgage-backed securities selected by the Borrower (the “Exchange Agent”) shall determine the price (the “Purchase Price”) at which the MBS could be sold to an independent party in an arm’s-length transaction (a “Bona Fide Purchaser”). The Exchange Agent shall provide a written notice of the Purchase Price to the Beneficial Owner, the Borrower, the Trustee and the Issuer at least six (6) business days prior to the Exchange Date. If the Exchange Agent fails to receive any offers to purchase the MBS from a Bona Fide Purchaser, then the Bonds shall be exchanged in accordance with the provisions of the Indenture. The determination by the Exchange Agent of the price at which the MBS can be sold shall be conclusive and binding on the Beneficial Owner, but the Beneficial Owner retains the option to rescind its Request Notice and retain its Bonds if the Purchase Price is determined to be greater than the par amount of the Bonds Outstanding (such par amount being the principal amount of the Bonds Outstanding as of the month following the MBS Delivery Date), plus interest unpaid to the Exchange Date.

If the Purchase Price, is (i) equal to or less than the par amount of the Bonds Outstanding, plus interest unpaid to the Exchange Date, or (ii) cannot be determined by the Exchange Agent pursuant to the Indenture, then the Beneficial Owner shall receive in exchange for its Bonds an allocable portion of the MBS, provided, that, the MBS will be, when delivered, in an original face amount equal to \$1,000 or a multiple of \$1.00 in excess thereof. The portion of the MBS allocable to the Beneficial Owner shall be the proportional par amount of such MBS equal to the par amount of the Beneficial Owner’s ownership of the Bonds. After validating the request, the Trustee shall transfer and deliver to such Beneficial Owner the referenced principal amount of the Trustee’s beneficial ownership interest in the MBS promptly following (i) delivery to the Trustee (via DTC withdrawal or DWAC) of the Bonds being exchanged and (ii) payment of the Trustee’s exchange fee with respect to such Bonds (\$1,000) from the Revenue Fund. Such Beneficial Owner’s proportional interest in the MBS will be (1) in book-entry form and (2) transferred in accordance with current market practices, including the applicable provisions of SIFMA’s *Uniform Practices for the Clearance and Settlement of Mortgage-Backed Securities and Other Related Securities*. Upon receipt of such Bonds from the Beneficial Owner, the Trustee will promptly cancel the Bonds being exchanged, which may not be reissued. The proportional interest in the MBS delivered in such an exchange will not be exchangeable for Bonds.

If the Purchase Price is greater than the par amount of the Bonds Outstanding, plus interest unpaid to the Exchange Date, then the Trustee shall sell a portion of the MBS allocable to the Beneficial Owner at such price. The portion of the MBS allocable to the Beneficial Owner shall be the par amount of such MBS equal to the par amount of the Beneficial Owner’s ownership of the Bonds. Any surplus amounts from the sale of the MBS (the “Surplus Amounts”) remaining after the sale of the MBS and repayment of the Beneficial Owner of the par amount of its Bonds plus accrued interest to the Exchange Date shall be transferred to the Surplus Fund. The Beneficial Owner of the Bonds shall have no right or claim to any Surplus Funds. After validating the request, and after receipt of (i) delivery to the Trustee (via DTC withdrawal or DWAC) of the Bonds being exchanged and (ii) payment of the Trustee’s exchange fee with respect to such Bonds (\$1,000) from the Revenue Fund, the Trustee shall pay to such Beneficial Owner the referenced principal amount of the Bonds, plus accrued interest to the Exchange Date. Upon receipt of such Bonds from the Beneficial Owner, the Trustee will promptly cancel the Bonds being exchanged.

If the Exchange Date is subsequent to a Record Date and prior to a corresponding Payment Date for the Bonds, the Trustee shall wire the applicable principal and interest payments on the exchanged Bonds to the Beneficial Owner using the wire transfer instructions set forth on the Request Notice.

None of Fannie Mae, the Trustee or the Issuer shall have any liability to the Beneficial Owner arising from (i) any exchange of Bonds for the MBS or redemption of Bonds described under this heading “Optional Exchange of Bonds for MBS” or (ii) any of the costs or expenses thereof. Interest on such MBS is not excludable from gross income for federal income tax purposes. Bondholders should consult their own tax advisors concerning that and other tax consequences of exchanging any Bond or Bonds for the MBS.

## **Extension of MBS Delivery Date Deadline**

At any time prior to the MBS Delivery Date Deadline, the Borrower may extend the MBS Delivery Date Deadline by (i) providing to the Trustee, the Lender, the Issuer, the Rating Agency and the Underwriter written notice of any extension of the MBS Delivery Date Deadline, and (ii) depositing Eligible Funds for the credit of the Negative Arbitrage Account of the Revenue Fund in an amount, taking into account amounts already on deposit therein, sufficient to pay interest due on the Bonds to the date that is five (5) calendar days after the extended MBS Delivery Date Deadline (the “Extension Deposit”). Extension Deposits may continue to be made by or on behalf of the Borrower until the MBS Delivery Date occurs or the Borrower declines to make an Extension Deposit resulting in the mandatory redemption pursuant to the Indenture; provided, however, the MBS Delivery Date Deadline may not be extended to a date that is later than the third anniversary of the Bond Dated Date unless, prior to any extension beyond such date, there shall be filed with the Trustee and the Issuer an opinion of Bond Counsel to the effect that such extension will not, in and of itself, adversely affect the exclusion of interest on the Bonds from gross income for Federal income tax purposes. The cost of such opinion shall be the sole responsibility of the Borrower. See “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Extension of MBS Delivery Date Deadline” attached hereto.

## **THE MORTGAGE LOAN**

### **General**

The Indenture authorizes the Issuer to issue the Bonds to finance a portion of the cost of the acquisition, rehabilitation and equipping of the Project through the acquisition of the MBS and to pay certain additional costs related thereto. The Bonds will be secured initially by the Cash Collateral, and then by the MBS, if issued. Fannie Mae is expected to deliver the MBS to the Trustee on the MBS Delivery Date to be purchased by the Trustee with the Cash Collateral on deposit under the Indenture. The Lender has undertaken to certify that the MBS has terms consistent with the Term Sheet and meets the requirements set forth in the Indenture, on which certification the Trustee may rely and act without further investigation. The Mortgage Loan is to be evidenced by the Mortgage Note, executed by the Borrower in favor of the Lender and secured by the Multifamily Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing (the “Mortgage”). The Borrower is required under the Mortgage Note to make monthly payments sufficient in the aggregate to pay debt service on the Mortgage Loan.

### **MBS Payments**

Following the MBS Delivery Date, if such date occurs, payments on the MBS will be made on the 25th day of each month (beginning with the month following the month in which the MBS is issued and delivered to the Trustee), or, if such 25th day is not a Business Day, on the first Business Day next succeeding such 25th day. With respect to the MBS, Fannie Mae will distribute to the Trustee an amount equal to the total of (i) the principal due on the Mortgage Loan underlying the MBS during the period beginning on the second day of the month prior to the month of such distribution and ending on the first day of such month of distribution, (ii) the stated principal balance of the Mortgage Loan that was prepaid in full during the calendar month next preceding the month of such distribution (including as prepaid for this purpose at Fannie Mae’s election the Mortgage Loan after it is delinquent, in whole or in part, with respect to four consecutive installments of principal and interest; or because of Fannie Mae’s election to repurchase the Mortgage Loan under certain other circumstances), (iii) the amount of any partial prepayment of the Mortgage Loan received in the calendar month next preceding the month of distribution, and (iv) one month’s interest at the Pass-Through Rate on the principal balance of the MBS as reported to the Trustee (assuming the Trustee is the registered holder) in connection with the previous distribution (or, respecting the first distribution, the principal balance of the MBS on its issue date).

For purposes of distribution, the Mortgage Loan will be considered to have been prepaid in full if, in Fannie Mae’s reasonable judgment, the full amount finally recoverable on account of the Mortgage Loan has been received, whether or not such full amount is equal to the stated principal balance of the Mortgage Loan. See also “APPENDIX A – FANNIE MAE MORTGAGE-BACKED SECURITIES PROGRAM.”

## FANNIE MAE

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

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

### SECURITY FOR AND SOURCES OF PAYMENT FOR THE BONDS

In order to secure the payment of the principal of, premium, if any, and interest on the Bonds, the Issuer has pledged to the Trustee the Trust Estate for the Bonds, subject to terms and provisions of the Indenture, the following:

(i) All right, title and interest of the Issuer in and to (a) amounts on deposit in the Bond Proceeds Fund, to be funded on the Closing Date in an amount equal to the principal amount of the Bonds, and (b) Eligible Funds on deposit in the Revenue Fund (including but not limited to the Negative Arbitrage Account thereof);

(ii) (a) 100% of the beneficial ownership interest in the MBS, if the MBS is issued by Fannie Mae and acquired by the Trustee, and (b) all MBS Revenues;

(iii) All right, title and interest of the Issuer now owned or hereafter acquired in, to and under the Financing Agreement (except Reserved Rights) and the Regulatory Agreement; and;

(iv) All other funds, accounts and property which by the express provisions of the Indenture is required to be subject to the lien of the Indenture, and any additional property that from time to time, by delivery or by writing of any kind, may be subjected to the lien of the Indenture, by the Issuer or by anyone on its behalf, and the Trustee is authorized by the Indenture to receive the same at any time as additional security under the Indenture; provided, however, that the Trust Estate shall not include amounts on deposit in the Rebate Fund, the Surplus Fund or the Rehabilitation Fund.

The foregoing pledge is made for the equal and proportionate benefit, security and protection of all present and future owners of the Bonds, without preference, priority or distinction as to lien, or otherwise of any one Bond over any other Bond by reason of priority in the issue, sale or negotiation thereof, or of any other cause, and for the benefit of Fannie Mae as provided in the Indenture.

Prior to the delivery of the MBS, the Bonds will be secured by the deposit with the Trustee of the proceeds received from the sale of the Bonds and other Eligible Funds held under the Indenture by the Trustee in an aggregate amount equal to the outstanding principal amount of the Bonds. The Trustee will use Eligible Funds held under the Indenture along with interest earnings thereon to (a) pay principal, premium, if any, and interest on the Bonds when due, and (b) acquire, if and when issued, the MBS, upon satisfaction of the conditions set forth in the Indenture and upon satisfaction of the conditions precedent to the issuance of the MBS and compliance with the commitment between Fannie Mae and the Lender.

It is anticipated that if the conditions to the issuance of the MBS are satisfied, the MBS will be available for acquisition by the Trustee on or before the MBS Delivery Date Deadline, as such date may be extended as provided in the Indenture. Following the delivery of the MBS to the Trustee, if delivered, payments of principal and interest on the Bonds will be payable from pass-through payments received by the Trustee on the MBS.

If the MBS is not acquired by the Trustee prior to the MBS Delivery Date Deadline (as such date may be extended pursuant to the Indenture), the Bonds will be redeemed from Eligible Funds held under the Indenture as set

forth in “DESCRIPTION OF THE BONDS — Mandatory Redemption of Bonds — Mandatory Redemption Upon Failure to Purchase the MBS by the MBS Delivery Date Deadline” hereto.

### **Fannie Mae Sustainable Framework**

The Borrower expects the Project to meet the Social MBS criteria under the Fannie Mae Sustainable Framework (as described in “APPENDIX J — FANNIE MAE SUSTAINABLE FRAMEWORK”) (the “**Framework**”), because at least 40% of all units have rent or income restrictions in place making them affordable to households earning no more than 60% of AMI as adjusted for family size (except for New York City, where at least 25% of all units have rent or income restrictions in place, making them affordable to households earning no more than 60% of AMI as adjusted for family size), thereby qualifying the Project as “Restricted Affordable Housing” under the applicable Fannie Mae Social criteria under the Framework. If such Social criteria are met, the Project would meet the Social criteria for MBS under the Fannie Mae Sustainable Framework. Based on the plans for the construction of the Project, as of the date of this Official Statement, the Borrower believes that such requirements will be achieved, but no assurances can be made with respect to whether such requirements will in fact be satisfied once construction has been completed. See “CERTAIN BONDHOLDERS’ RISKS— Fannie Mae Sustainable Framework May Not Align with Investor Criteria” herein. The Fannie Mae Sustainable Framework criteria is specific to the MBS securing the Bonds and not to the Bonds themselves.

### **PRIVATE PARTICIPANTS**

*The following information concerning the private participants has been provided by representatives of the private participants and has not been independently confirmed or verified by either the Underwriter or the Issuer. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.*

#### **The Project Owner and the Borrower**

Tompkins Terrace Housing Development Fund Company, Inc., a New York not-for-profit corporation formed pursuant to Article XI of the New York Private Housing Finance Law (the “HDFC”) is the fee owner of the Project. The HDFC has entered into a Declaration of Interest and Nominee Agreement on or about the date hereof (the “Nominee Agreement”) with the Borrower. Under the Nominee Agreement, the Borrower is the beneficial owner of the Project and pursuant thereto controls all operations at the Project and is entitled to all benefits therefrom.

The Borrower is a single-purpose entity formed to acquire a beneficial interest in the Project pursuant to the Nominee Agreement and rehabilitate and operate the Project. The Borrower’s general partner is Tompkins Terrace Housing GP, LLC, a New York limited liability company (the “General Partner”), which will have a 0.005% ownership interest in the Borrower. Tompkins Terrace Housing Class B, LLC, a New York limited liability company, will be the Class B Limited Partner of the Borrower (the “Class B Limited Partner”) and will have a 0.005% ownership interest in the Borrower. Key Community Development Corporation, an Ohio corporation, as an investor limited partner (the “Investor Limited Partner”) of the Borrower, will own a 99.99% interest in the Borrower.

Related Affordable, LLC (“Related Affordable”) will act as the sole member of the General Partner of the Borrower. To date, Related Affordable has rehabilitated and preserved approximately 50,000 affordable units. The Related Companies, L.P. (“Related”) is the parent company of Related Affordable. Operating through an affiliated group of companies referred to collectively as “Related” or “Related Companies,” Related is a global real estate company with expertise in acquisition and development, financial services, marketing, sales and property asset management, overseeing a real estate portfolio valued in excess of \$60 billion. Formed over 50 years ago, Related is a fully integrated, highly diversified industry leader with experience in virtually every aspect of development, acquisitions, management, finance, marketing and sales. Headquartered in New York City, Related has offices in Boston, Chicago, Los Angeles, San Francisco and London, and has a team of approximately 4,000 professionals. Related Affordable is the division of the Related Companies that develops, acquires and preserves affordable housing throughout the nation, having preserved and rehabilitated over 40,000 affordable units under the Low Income Housing Tax Credit program. Affordable housing laid the foundation of the Related Companies, and its broad portfolio of affordable and mixed-income developments demonstrates the company’s continuing ability to create affordable

housing opportunities in a variety of geographically, economically and socially diverse neighborhoods. Related owns and operates a portfolio of approximately 53,000 affordable and workforce housing units.

### **The Developer**

Tompkins Terrace Developer, LLC, a New York limited liability company (the “Developer”), will act as the developer for the for the rehabilitation of the Project in accordance with a development agreement with the Borrower whereby the Developer will be responsible for certain development services in connection with the Project and for which the Developer will receive a development fee from the Borrower. The Developer is an affiliate of the General Partner of the Borrower. Affiliates of the principals of the Developer have significant experience in the rehabilitation of multifamily affordable rental housing.

### **Investor Limited Partner**

Simultaneously with the issuance of the Bonds, the Borrower expects the General Partner, the Class B Limited Partner and the Investor Limited Partner to enter into an Amended and Restated Limited Partnership Agreement of the Borrower pursuant to which the Investor Limited Partner will acquire a 99.99% ownership interest in the Borrower in exchange for certain benefits from the Project including the receipt of Low Income Housing Tax Credits (“LIHTC”). In return the Investor Limited Partner will provide equity (the “Tax Credit Equity”) for the acquisition and development costs of the Project which is expected to be in the total amount set forth under “THE PROJECT — Plan of Financing” herein and will be paid in stages during and after rehabilitation of the Project. These funding levels and the timing of the funding are subject to numerous adjustments and conditions which could result in the amounts funded and/or the timing or even occurrence of the funding varying significantly from those initially anticipated and no representation is made as to the availability of such funds.

### **Limited Assets and Obligation of Borrower, General Partner, Class B Limited Partner and Investor Limited Partner**

The Borrower, the General Partner and the Class B Limited Partner have no substantial assets other than the Project and do not intend to acquire any other substantial assets or to engage in any substantial business activities other than those related to the ownership of the Project. However, the member(s) of the General Partner, the Class B Limited Partner and the Investor Limited Partner (and their affiliates) are engaged in and will continue to engage in the acquisition, development, ownership and management of similar types of housing projects. They may be financially interested in, as officers, partners or otherwise, and devote substantial times to, business and activities that may be inconsistent or competitive with the interests of the Project.

The obligations and liabilities of the Borrower under the Financing Agreement and the Mortgage Note are of a non-recourse nature and are limited to the Project and moneys derived from the operation of the Project. Neither the Borrower nor its partners have any personal liability for payments on the due under the Financing Agreement to be applied to pay the principal of and interest on the Bonds; nor will the Borrower be personally liable under the other documents executed in connection with the issuance of the Bonds and the making of the Mortgage Loan. Furthermore, no representation is made that the Borrower will have substantial funds available for the Project. Accordingly, neither the Borrower’s financial statements nor those of its partners are included in this Official Statement.

### **The Architect**

The architect is R.S. Granoff Architects, P.C. (the “Architect”). The Architect was established in 1989 and is a full-service design firm with a team of over twenty professionals. The Architect works on a wide variety of projects in four integrated disciplines: residential architecture, commercial architecture, landscape architecture and interior design. The Architect has significant experience in the design elements of multifamily affordable rental housing. The Architect is not an affiliate of the Developer or the Borrower.

## The General Contractor

The general contractor for the project is Hernandez Construction Services, Inc. (the “General Contractor”). The General Contractor is not an affiliate of the Developer or the Borrower. The General Contractor and its affiliated construction companies have been constructing and rehabilitating multifamily rental housing developments since 2005 and have constructed over 15,000 units across more than 21 states.

## The Property Manager

The Project will be managed by Related Management Company, L.P. or its affiliates (collectively, the “Property Manager”). The Property Manager is an affiliate of Related. The Property Manager currently manages more than 105 apartment complexes comprising a total of approximately 16,550 units throughout the United States. The Property Manager was formed in 1992 and currently has a staff of 55 corporate personnel and 380 site employees.

## THE PROJECT

*The following information concerning the Project has been provided by representatives of the Borrower and has not been independently confirmed or verified by either the Underwriter or the Issuer. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.*

The Project, known as Tompkins Terrace, is located in Beacon, New York, on an approximately 16-acre site. The Project contains 193 apartment units located in 13 buildings. There is also one auxiliary building located on the site which contains both the leasing office and community room with a kitchenette. Common area improvements will include a business center, community room, leasing office, and laundry room. There are 221 parking spaces for resident use.

Rehabilitation of the Project is anticipated to commence in September 2023 and be completed approximately 14 months later.

The unit mix of the Project is as follows:

<u>Unit Type</u>	<u>Number</u>	<u>Approximate Square Feet</u>
0 BD	22	460
1 BD	74	625
2 BD	51	729
3 BD	34	1,102
4 BD	<u>12</u>	1,365
<b>Total</b>	<b>193</b>	

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## Plan of Financing

The estimated sources and uses for the Project are projected to be approximately as follows:

### Sources of Funds

Bond Proceeds	\$24,180,000
Tax Credit Equity	16,182,041
Income from Operations	1,857,276
Deferred Developer Fee	<u>3,950,304</u>
<b>Total</b>	<b><u>\$46,169,621</u></b>

### Uses of Funds

Acquisition	\$18,000,000
Construction Costs (including contingency)	15,752,439
Developer Fee	5,083,119
Soft Costs (including contingency)	2,670,014
Capitalized Interest, Taxes & Insurance (construction period)	1,857,276
Legal/Financing Costs	1,406,957
Escrows/Reserves	<u>1,399,816</u>
<b>Total</b>	<b><u>\$46,169,621</u></b>

All costs of issuing the Bonds, including the Underwriter's fee, will be paid by the Borrower.

*The Mortgage Loan and the Bonds.* The Project will utilize a mortgage loan (the "Mortgage Loan") from KeyBank National Association (the "Lender") in the principal amount of \$24,180,000. The obligation to repay the Mortgage Loan will be set forth in a promissory note (the "Mortgage Note") from the Borrower to the Lender, which Mortgage Note will have a term of not less than 204 months, will bear interest at a rate of 5.82% and will amortize over 35 years. The principal amount of the Bonds will be equal to the principal amount of the Mortgage Loan. Following the MBS Delivery Date, payments on the Bonds will be payable by the Trustee from payments received by the Trustee pursuant to the MBS.

*The Tax Credit Equity.* Simultaneously with the issuance of the Bonds, the Borrower expects to offer the Investor Limited Partner a 99.99% ownership interest in the Borrower in exchange for equity contributions based primarily on the receipt of certain benefits from the Project's LIHTC. The funding of the Tax Credit Equity will total approximately \$16,182,041. The funding levels and the timing of the funding are subject to numerous adjustments and conditions which could result in the amounts funded and/or the timing or even occurrence of the funding varying significantly from the projections set forth above and neither the Issuer nor the Underwriter makes any representation as to the availability of such funds.

*Income During Construction.* The Project is also expected to utilize a percentage of net operating income available during rehabilitation in the anticipated amount of \$1,857,276.

*Deferred Developer Fee.* The Project is also utilize deferred developer fee in the anticipated amount of \$3,950,304 as a source of funding. The deferred developer fee will be paid by the Borrower to the Developer from surplus cash flow received through the operation of the Project.

## The PBV HAP Contract

At the time of closing, the Borrower expects to receive an assignment of an existing Section 8 Project Based Voucher Housing Assistance Payments Contract (the "PBV HAP Contract") with the Beacon Housing Authority ("BHA"). The PBV HAP Contract, which is administered by BHA will continue to assist approximately 61 of the total 193 units in a manner similar to a Section 8 Housing Assistance Payments contract and has an initial term of 20 years which commenced on February 1, 2020. It will subject the Property to restrictions as to tenant's income, rent charges, admissions preferences, operating procedures and other matters. There is no assurance that the PBV HAP Contract will be renewed, or if renewed will contain comparable economic terms to the prior contract.



Funding under the PBV HAP Contract is subject to annual Congressional appropriations, as more particularly described below. The Section 8 project-based housing assistance payment program (the “Section 8 Program”) is authorized by Section 8 of the United States Housing Act of 1937, as amended, and in the case of Section 8 contracts is administered by local public housing authorities. The Section 8 Program authorizes housing assistance payments to owners of qualified housing for the benefit of low-income families (defined generally as families whose incomes do not exceed 80% of the area median income (“AMI”) for the area as determined by HUD), and very low-income families (defined generally as families whose income do not exceed 50% of the AMI as determined by HUD). Section 8 housing assistance payments generally represent the difference between the “contract rent” for the unit approved by HUD and the eligible tenant’s contribution, which is generally 30% of income, as adjusted for family size and certain expenses, subject to a minimum rent contribution. The rents approved by HUD for the Project, as they may be adjusted from time to time with procedures set forth in MAHRA and the PBV HAP Contract, are the “contract rents” for the Project. The PBV HAP Contract will require the Borrower to maintain the Project in decent, safe and sanitary condition and to comply with other statutory and regulatory requirements governing the operation of the Project, use of project funds, and other matters. If the Borrower fails to comply with the terms of the PBV HAP Contract, HUD or the contract administrator could seek to abate or terminate the payments under the PBV HAP Contract, or take other sanctions. Because the PBV HAP Contract is subject to receipt of annual appropriations by Congress, there is no assurance that the PBV HAP Contract will be renewed or replaced upon its expiration. Furthermore, funding for PBV HAP contracts is appropriated by Congress on an annual basis, and there is no assurance that adequate funding will be appropriated each year during the term of the PVB HAP Contract. Since payments received under the PVB HAP Contract constitute a primary source of revenues for the Project, the expiration of the PVB HAP Contract, or the failure of Congress to appropriate funds sufficient to fund the PVB HAP Contract during each year of its term, would have a material adverse effect on the ability of the Project to generate revenues sufficient to pay the principal of and interest of the Mortgage Loan.

### **Income and Rent Restrictions**

The Borrower intends to rehabilitate and operate the Project as a “qualified residential rental project” in accordance with the provisions of Section 142(d) of the Internal Revenue Code of 1986, as amended (the “Code”). At the time of the issuance of the Bonds, the Borrower, the Issuer, HDFC and the Trustee will enter into a tax regulatory agreement with respect to the Project (the “Regulatory Agreement”). Under the Regulatory Agreement, the Borrower will agree to rent at least 40% of the units in the Project to households whose adjusted family income (determined in accordance with the provisions of the Code) is less than 60% of area median income (“AMI”) as adjusted for family size. For the Project, the Qualified Project Period commences on the Closing Date and continues until the latest of (a) the date which is fifteen (15) years after the Closing Date, (b) the first date on which no tax-exempt private activity bonds with respect to the Project are outstanding for federal income tax purposes, or (c) the date on which any assistance provided with respect to the Project under the Section 8 of the Housing Act of 1937 terminates. The failure of the Borrower to comply with the Regulatory Agreement could cause interest on the Bonds to be included in gross income for federal income tax purposes. See the summary of the Regulatory Agreement in APPENDIX E to this Preliminary Official Statement and “TAX MATTERS” herein.

In addition to the rental restrictions imposed upon the Project by the Regulatory Agreement, the Project is currently encumbered by an existing LIHTC regulatory agreement from a previous financing that will be amended and restated at closing (the “LIHTC Regulatory Agreement”). The LIHTC Regulatory Agreement requires (a) that not less than 38 units shall be held available for rental to persons whose adjusted family income is equal to or less than 50% of the AMI adjusted for family size, (b) that not less than 155 units shall be held available for rental to persons whose adjusted family income is equal to or less than 60% of the AMI adjusted for family size, and (c) the rents which may be charged for occupancy of such units will be restricted to not more than 30% of 50% of AMI and 30% of 60% of AMI, respectively. The LIHTC Regulatory Agreement will be in effect for approximately 34 years from the Closing Date.

### **Tax Abatement**

The Project is expected to benefit from a payment in lieu of taxes abatement agreement (the “PILOT Agreement”) with the City of Beacon which will require (a) that not less than 38 units shall be held available for rental to persons whose adjusted family income is equal to or less than 50% of the AMI adjusted for family size, (b) that not less than 155 units shall be held available for rental to persons whose adjusted family income is equal to or less than

60% of the AMI adjusted for family size, and (c) the rents which may be charged for occupancy of such units will be restricted to not more than 30% of 50% of AMI and 30% of 60% of AMI, respectively. The failure of the Borrower to comply with the PILOT Agreement may cause a loss of such abatement which would have a material adverse effect on the ability of the Project to generate revenues sufficient to pay its operating costs including the principal of and interest of the Mortgage Loan.

### **CERTAIN BONDHOLDERS' RISKS**

*The purchase of the Bonds will involve a number of risks. The following is a summary, which does not purport to be comprehensive or definitive, of some of such risk factors.*

#### **Limited Security; Investment of Funds**

The Bonds are special limited obligations of the Issuer payable solely from the Trust Estate, which includes certain funds pledged to and held by the Trustee pursuant to the Indenture.

The Bonds are offered solely on the basis of the amounts pledged to and held by the Trustee under the Indenture, together with investment earnings thereon, and the MBS, and are not offered on the basis of the credit of the Borrower, the feasibility of the Project or any other security. As a consequence, limited information about the Project and no information about the financial condition or results of operations of the Borrower is included in this Official Statement. The Bonds are offered only to investors who, in making their investment decision, rely solely on the amounts held under the Indenture, together with investment earnings thereon, and not on the credit of the Borrower, the feasibility of the Project or any other security.

The principal of and interest on the Bonds are payable from and secured by certain revenues and funds pledged thereto under the Indenture, and, following the MBS Delivery Date, from payments on the MBS. On the date of delivery of the Bonds, an amount equal to the principal amount of the Bonds is to be deposited into the Bond Proceeds Fund. The Trustee is required to invest amounts held in the Bond Proceeds Fund and the Revenue Fund in Eligible Investments, as defined in the Indenture. See "APPENDIX C — SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Investment of Funds." Failure to receive a return of the amounts so invested could affect the ability to pay the principal of and interest on the Bonds.

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

The Borrower will covenant and agree, pursuant to the Regulatory Agreement to comply with the provisions of the Code relating to the exclusion from gross income for federal income tax purposes of the interest payable on the Bonds. In particular, the Borrower is required to rent at least forty percent (40%) of the Project apartment units to certain qualified tenants whose income does not exceed sixty percent (60%) of the area average median income where the Project is located. The Borrower's failure to comply with such provisions will not constitute a default under the Bonds and will not give rise to a redemption or acceleration of the Bonds and is not the basis for an increase in the rate of interest payable on the Bonds. Furthermore, the Borrower's failure to comply with the Regulatory Agreement will not give rise to a prepayment or acceleration of amounts due under the MBS or the Mortgage, unless directed by Fannie Mae in its sole discretion. Consequently, interest on the Bonds may become includable in gross income for purposes of federal income taxation retroactive to the date of issuance of the Bonds by reason of the Borrower's failure to comply with the requirements of federal tax law. In such event, a Bondholder could exercise its option to exchange its Bond for the MBS as described above under the heading "DESCRIPTION OF THE BONDS – Optional Exchange of Bonds for MBS;" but will have lost the value of the tax-exemption.

#### **Payments Prior to MBS Delivery Date**

Prior to the MBS Delivery Date, payment of principal and interest, and the Borrower's obligations with respect to principal and interest on the Bonds, will be primarily secured by and payable from Bond proceeds held in the Bond Proceeds Fund and moneys deposited into the Revenue Fund, including the Negative Arbitrage Account therein. It is not expected, prior to the MBS Delivery Date, that any revenues from the Project or other amounts, except moneys on deposit in the Bond Proceeds Fund and the Revenue Fund, will be available to satisfy that obligation. Prior to the MBS Delivery Date, it is expected that moneys on deposit in the Bond Proceeds Fund and the Negative

Arbitrage Account of the Revenue Fund, and the interest earnings thereon, will be sufficient to pay the debt service on the Bonds.

### **Mandatory Redemption of Bonds Prior to Maturity**

Pursuant to the Indenture, under certain circumstances, the Bonds may be subject to mandatory redemption in whole or in part, prior to maturity. Please see “DESCRIPTION OF THE BONDS – Mandatory Redemption of Bonds” herein and Appendix C hereto.

### **Eligible Investments**

Proceeds of the Bonds deposited into the Bond Proceeds Fund and the Revenue Fund are required to be invested in Eligible Investments. See “APPENDIX B – DEFINITIONS OF CERTAIN TERMS” hereto for the definition of Eligible Investments. There can be no assurance that there will not be a loss resulting from any investment held for the credit of the Bond Proceeds Fund or the Revenue Fund, and any failure to receive a return of the amounts so invested could affect the ability to pay the principal of and interest on the Bonds.

### **Rating**

Prior to the MBS Delivery Date, the rating on the Bonds is based on the investment in Eligible Investments of amounts on deposit in the Bond Proceeds Fund and the Revenue Fund. If one or more of such investments fail to meet the rating standards for Eligible Investments after their acquisition and prior to maturity, such a change may result in a downgrade or withdrawal of the rating on the Bonds. Following the MBS Delivery Date, the rating on the Bonds is based on the credit rating of Fannie Mae. If any event occurs that causes an adverse change to the credit rating of Fannie Mae, such a change may result in a downgrade or withdrawal of the rating on the Bonds.

### **Repayment of Mortgage Loan**

The ability of the Borrower to pay the Mortgage Loan is dependent on the revenues derived from the Project. Due to the inherent uncertainty of future events and conditions, no assurance can be given that revenues generated by the Project will be sufficient to pay expenses of the Project, including without limitation, debt service on the Mortgage Loan, operating expenses, servicing fees, fees due to Fannie Mae, Trustee fees, and fees owed to the Issuer. The ability of the Project to generate sufficient revenues may be affected by a variety of factors including, but not limited to, completion of repairs to such Project, the maintenance of a sufficient level of occupancy, the ability to achieve increases in rents, the level of operating expenses, project management, adverse changes in applicable laws and regulations, general economic conditions and other factors in the surrounding market area for the Project. The Borrower intends to rent all of the units in the Project to persons or families of moderate and low income and the amount of rent that may be charged for such units may be materially less than market rates. In addition to these factors, other adverse events may occur from time to time which may have a negative impact on the occupancy level and rental income of the Project.

Failure of the Borrower to make payments when due under the Mortgage Loan will result in an event of default under the Mortgage Loan and the Financing Agreement and may result in a mandatory prepayment of all or a portion of the Bonds. The Mortgage Loan will not be accelerated unless directed by Fannie Mae in its sole discretion in which case the Bonds will remain outstanding and will remain secured by the MBS guaranteed as to timely payment of principal and interest by Fannie Mae. See “SECURITY FOR AND SOURCES OF PAYMENT FOR THE BONDS” herein. If Fannie Mae accelerates the Mortgage Loan as a result of any event of default under the Mortgage Loan, the Mortgage Loan will be paid in full, and the stated principal balance of the MBS will be passed through to the holder of the MBS. In this case, no yield maintenance or other prepayment premiums will be payable to the Trustee as holder of the MBS.

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

## **Bonds are Pass-Through Bonds; Interest Payment Lag**

As described elsewhere herein, following the MBS Delivery Date, the Bonds are pass-through securities designed to pass through to registered owners of the Bonds principal and interest payments on the MBS one Business Day after receipt by the Trustee of such payments on the MBS. Interest payments on the Bonds will equal interest accrued on the Bonds during the prior calendar month and shall be made from interest payments received by the Trustee on the MBS, which payments on the MBS shall be received on the 25th day of each month, or the next Business Day if the 25th is not a Business Day.

Although interest accrues on the MBS during a calendar month, the Trustee will not receive such payment on the MBS until the 25th day in the following calendar month, or the next succeeding Business Day if such day is not a Business Day. In addition, the Bonds mature on the Bond Maturity Date; however, the final principal payment on the MBS will occur on the 25th day of the month in which the Bond Maturity Date occurs (or the succeeding Business Day if such day is not a Business Day) and such payment will be passed through to Bondholders on the following Business Day after receipt by the Trustee. Because of these delays, the effective yield on the Bonds will be lower than the Pass-Through Rate on the MBS and the stated interest rate on the Bonds.

## **Pass-Through Certificate**

If the MBS is issued by Fannie Mae and acquired by the Trustee as collateral for the Bonds, Fannie Mae's obligations will be solely as provided in the MBS and in the Fannie Mae MBS Prospectus and the related form of Prospectus Supplement for MBS Certificate. The obligations of Fannie Mae under the MBS will be obligations solely of Fannie Mae, a federally chartered corporation, and will not be backed by the full faith and credit of the United States of America. The Bonds are not and will not be a debt of the United States of America or any other agency or instrumentality of the United States of America or of Fannie Mae. The Bonds are not and will not be guaranteed by the full faith and credit of Fannie Mae or the United States of America.

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

## **Performance of the Project and Estimated Rental Revenue Vacancies**

The economic feasibility of the Project depends in large part upon the Project's being substantially occupied at rentals adequate to maintain substantial occupancy throughout the term of the Bonds at sufficient rents and to cover all operating expenses of the Project and debt service on the Mortgage Loan. Although representatives of the Borrower believe, based on surveys of the area where the Project is located, that a substantial number of persons currently need housing facilities such as the Project, occupancy of the Project may be affected by competition from existing housing facilities or from housing facilities which may be constructed in the area served by the Project. While the Borrower believes the Project is needed, there may be difficulties in keeping it substantially occupied. Furthermore, no assurance can be given that the low-income tenants are able to afford the rental rates of the Project, notwithstanding the below-market rental rates. Restrictions imposed under the Code on tenant income and the rent that can be charged could have an adverse effect on the Borrower's ability to satisfy its obligations under the Financing Agreement, especially if operating expenses should increase beyond what was anticipated.

## **Limited Liability of Issuer**

Notwithstanding anything in the Indenture or in the Bonds, the Issuer shall not be required to advance any money derived from any source other than the Trust Estate, consisting of MBS Revenues and other assets pledged under the Indenture for any of the purposes of the Indenture.

No agreements or provisions contained in the Indenture, nor any agreement, covenant or undertaking by the Issuer contained in any document executed by the Issuer in connection with the Project, or the issuance, sale and delivery of the Bonds shall give rise to any pecuniary liability of the Issuer or a charge against its general credit, or

shall obligate the Issuer financially in any way except from the application of the Trust Estate, consisting of MBS Revenues and other proceeds pledged to the payment of the Bonds and the proceeds of the Bonds. No failure of the Issuer to comply with any term, condition, covenant or agreement in the Indenture or in any document executed by the Issuer in connection with the Project, or the issuance, sale and delivery of the Bonds shall subject the Issuer to liability for any claim for damages, costs or other financial and pecuniary charge except to the extent that the same can be paid or recovered from the Financing Agreement or the Trust Estate, consisting of MBS Revenues and other assets pledged to the payment of the Bonds or the proceeds of the Bonds. THE ISSUER HAS NO TAXING POWER.

### **Secondary Markets and Prices**

No representation is made concerning the existence of any secondary market for the Bonds. The Underwriter will not be obligated to repurchase any of the Bonds, nor can any assurance be given that any secondary market will develop following the completion of the offering of the Bonds. Further, there can be no assurance that the initial offering prices for the Bonds will continue for any period of time. Furthermore, the Bonds should be purchased for their projected returns only and not for any resale potential, which may or may not exist.

### **Future Legislation; IRS Examination**

The Project, its operation and the treatment of interest on the Bonds are subject to various laws, rules and regulations adopted by the local, State and federal governments and their agencies. There can be no assurance that relevant local, State or federal laws, rules and regulations will not be amended or modified or interpreted in the future in a manner that could adversely affect the Bonds, the Trust Estate created under the Indenture, the Project, or the financial condition of or ability of the Borrower to comply with its obligations under the various transaction documents.

In recent years, the Internal Revenue Service (the “IRS”) has increased the frequency and scope of its examination and other enforcement activity regarding tax exempt bonds. Currently, the primary penalty available to the IRS under the Code is a determination that interest on bonds is subject to federal income taxation. Such event could occur for a variety of reasons, including, without limitation, failure to comply with certain requirements imposed by the Code relating to investment restrictions, periodic payments of arbitrage profits to the United States of America, the timely and proper use of Bond proceeds and the facilities financed therewith and certain other matters. See “TAX MATTERS” herein. No assurance can be given that the IRS will not examine the Issuer, the Borrower, the Project or the Bonds. If the Bonds are examined, it may have an adverse impact on their price and marketability.

### **Potential Impact of Pandemics or Public Health Crises**

The spread of the strain of a virus and resulting disease could alter the behavior of businesses and people in a manner that could have negative effects on global, state and local economies. There can be no assurances that the spread of a pandemic would not materially impact both local and national economies and, accordingly, have a materially adverse impact on the Project’s operating and financial viability. The effects of a pandemic could include, among other things, an increase in the time necessary to complete the construction and/or rehabilitation of the Project, suspension or delay of site inspections and other on-site meetings, interruption in the engagement of material participants in the Project, increase in the time necessary to conduct lease-up at the Project, and increased delinquencies and/or vacancies, all of which could impact the Borrower’s ability to make payments on the loans and result in a default and acceleration thereof.

### **Limitation of Remedies**

Remedies available under the Indenture, the Financing Agreement, and the Regulatory Agreement are limited in certain respects. See “ENFORCEABILITY OF REMEDIES” herein.

### **Fannie Mae Sustainable Framework May Not Align with Investor Criteria**

Although, if originated as of the date hereof, the mortgage loan backing the MBS would be expected to qualify as Social under the Fannie Mae Sustainable Framework for multifamily mortgage loans, the criteria may be modified, inapplicable or entirely eliminated at the time the mortgage loan backing the MBS is originated and may

not currently, or at the time of the origination of the mortgage loan, align with the investment criteria of investors in the Bonds. See “APPENDIX J — FANNIE MAE SUSTAINABLE FRAMEWORK.” Fannie Mae has not determined that the Bonds themselves qualify for designation as “social,” “green,” or “sustainable;” such designation has been applied to the Bonds based on the designation of the mortgage loan and the MBS. There can be no assurance that such qualification will satisfy the investment criteria or guidelines applicable to any particular investor or its investments, including with regard to social, green, sustainability or similar impacts, requirements or criteria. The Issuer has not applied for designation or self-designated the Bonds as “social,” “green,” or “sustainable.”

Investors should bear in mind that there currently is no widely accepted legal, regulatory or other definition to be applied in determining what qualifies as a “social,” “green,” “sustainable” or similarly-labeled project or investment, and no market consensus on the precise attributes required for any such determination. No assurance can be given that such a clear definition will develop over time, or that, if developed, it will include the Project or the Mortgage Loan. Accordingly, there can be no assurance that the underlying MBS will meet or satisfy investor expectations, requirements or objectives for “social,” “green,” “sustainable” or similar projects or investments, or that adverse environmental, social or other impacts will not arise in connection with the Mortgage Loan. The foregoing considerations may adversely affect the market value or liquidity of the Bonds.

**The Fannie Mae Sustainable Framework criteria is specific to the MBS securing the Bonds and not to the Bonds themselves.**

### **Project May Not Qualify for Fannie Mae Sustainable Framework Criteria Upon Completion**

The Borrower has demonstrated the capacity to obtain the Social qualification through its experience, plans and actions and, upon Project completion, expects to obtain the certifications necessary for the Mortgage Loan and the MBS to qualify as Social under the Fannie Mae Sustainable Framework. However, there can be no assurance that the Borrower will in fact obtain such certifications or that, upon completion, the Project will meet the Social criteria for MBS under the Fannie Mae Sustainable Framework.

### **Summary**

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement and the Appendices hereto.

## **TAX MATTERS**

### **Federal Income Taxes**

The Internal Revenue Code of 1986, as amended (the “Code”), imposes certain requirements that must be met subsequent to the issuance and delivery of the Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Bonds. The Issuer and the Borrower have covenanted in (a) the Indenture, (b) the Financing Agreement, and (c) the Certificate as to Arbitrage, the Multifamily Tax Certification and the Regulatory Agreement (the “Tax Documents”) to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the Issuer and the Borrower have made certain representations and certifications in the Indenture, the Financing Agreement and the Tax Documents. Bond Counsel will not independently verify the accuracy of those certifications and representations.

In the opinion of Nixon Peabody LLP, Bond Counsel, under existing law and assuming compliance with the aforementioned covenant and the accuracy of the aforementioned representations and certifications, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code, except that no opinion is expressed as to the exclusion of interest from gross income for any period during which such Bond is held by a person who, within the meaning of Section 147(a) of the Code, is a “substantial user” of the facilities financed with proceeds of the Bonds or a “related person”. Bond Counsel is further of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. For taxable years

beginning after December 31, 2022, interest on the Bonds will be taken into account in computing the alternative minimum tax imposed on certain corporations under the Code to the extent that such interest is included in the “adjusted financial statement income” of such corporations.

### **State Taxes**

Bond Counsel is also of the opinion that, under existing law, interest on the Bonds is exempt from personal income taxation imposed by the State of New York or any political subdivision of the State of New York, assuming compliance with tax covenants and the accuracy of the representations and certifications described under the heading “Federal Income Taxes” above. Bond Counsel expresses no opinion as to other State of New York or local tax consequences arising with respect to the Bonds nor as to the taxability of the Bonds or the income therefrom under the laws of any state other than the State of New York.

### **Ancillary Tax Matters**

Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, individuals receiving Social Security or Railroad Retirement benefits, individuals seeking to claim the earned income credit, and taxpayers (including banks, thrift institutions and other financial institutions) who may be deemed to have incurred or continued indebtedness to purchase or to carry the Bonds. Prospective investors are advised to consult their own tax advisors regarding these rules.

Interest paid on tax-exempt obligations such as the Bonds is subject to information reporting to the Internal Revenue Service (the “IRS”) in a manner similar to interest paid on taxable obligations. In addition, interest on the Bonds may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner’s taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Bond Counsel is not rendering any opinion as to any federal tax matters other than those described in the opinion attached as Appendix I. Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

### **Changes in Law and Post Issuance Events**

Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Bonds for federal or state income tax purposes, and thus on the value or marketability of the Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of the interest on the Bonds from gross income for federal or state income tax purposes, or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of holders of the Bonds may occur. Prospective purchasers of the Bonds should consult their own tax advisors regarding the impact of any change in law on the Bonds.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the Bonds may affect the tax status of interest on the Bonds. Bond Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the Bonds, or the interest thereon, if any action is taken with respect to the Bonds or the proceeds thereof upon the advice or approval of other counsel.

## **NO LITIGATION**

### **The Issuer**

The Issuer knows of no pending or threatened litigation questioning or affecting the validity of the Bonds or the proceedings or authority under which the Bonds were issued. Neither the creation, organization or existence of the Issuer nor the title of any of the present members or other officers of the Issuer to their respective offices is being contested to the knowledge of the Issuer. The Issuer knows of no litigation pending or threatened which in any manner questions the right of the Issuer to execute and deliver the Indenture or the Financing Agreement.

### **The Borrower**

There is no legal action, suit, proceeding, investigation or inquiry at law or in equity, before or by any court, agency, arbitrator, public board or body or other entity or person, pending or, to the best knowledge of the Borrower, threatened in writing against or affecting the Borrower or any general partner of the Borrower, in their respective capacities as such, nor, to the knowledge of the Borrower, any basis therefor, (i) which would restrain or enjoin the issuance or delivery of the Bonds, the use of the Official Statement in the marketing of the Bonds or the collection of revenues pledged under or pursuant to the Indenture or (ii) which would in any way contest or affect the organization or existence of the Borrower or the entitlement of any officer of the Borrower to its position or (iii) which would contest or have a material and adverse effect upon (A) the due performance by the Borrower of the transactions contemplated by the Official Statement, (B) the validity or enforceability of the Bonds or any other agreement or instrument to which the Borrower is a party and that is used or contemplated for use in the consummation of the transactions contemplated hereby and thereby, (C) the exclusion from gross income for federal income tax purposes of the interest on the Bonds or (D) the financial condition or operations of the Borrower, (iv) which contests in any way the completeness or accuracy of the Official Statement or (v) which questions the power or authority of the Borrower to carry out the transactions on its part contemplated by the Official Statement, or the power of the Borrower to own or operate the Project. The Borrower is not subject to any judgment, decree or order entered in any lawsuit or proceeding brought against it that would have such an effect.

## **CERTAIN LEGAL MATTERS**

The validity of the Bonds and certain other legal matters are subject to an approving opinion of Nixon Peabody LLP, Rochester, New York, Bond counsel to the Issuer. A complete copy of the proposed form of Bond Counsel opinion is contained in Appendix I hereto. Certain legal matters will be passed upon for the Borrower by its counsel, Levitt & Boccio, LLP, New York, New York, for the Issuer by its counsel, Cappillino Rothschild & Egan LLP, Pawling, New York, and for the Underwriter by its counsel, Tiber Hudson LLC, Washington, D.C. Payment of the fees of certain counsel to the transaction is contingent upon the issuance and delivery of the Bonds as described herein.

## **UNDERWRITING**

KeyBanc Capital Markets Inc. (the "Underwriter"), a "participating underwriter" as defined in 15c2-12 and an "underwriter" as defined in Section 2(a)(11) of the Securities Act of 1933, as amended, has entered into the Bond Purchase Agreement to purchase all of the Bonds, if any of the Bonds are to be purchased, at the price set forth on the cover hereof. The Bond Purchase Agreement provides that, as compensation for its services, the Underwriter will receive from the Borrower \$169,260 for certain fees and expenses related to the issuance of the Bonds. The Underwriter's fee shall not include the fee of the Underwriter's counsel. Additionally, the Underwriter has agreed to advance \$165,000 (the "Underwriter's Advance") for initial deposits established under the Indenture. The Underwriter will be reimbursed on or before the Closing by the Borrower for the Underwriter's Advance. The obligation of the Underwriter to pay for the Bonds is subject to certain terms and conditions set forth in the Bond Purchase Agreement. The Borrower has agreed to indemnify the Underwriter and the Issuer as to certain matters in connection with the Bonds.



The Underwriter may offer and sell the Bonds that it purchases to certain dealers including dealer banks and dealers depositing the Bonds into investment trusts and others at a price lower than the public offering price stated in the Term Sheet. The offering price of the Bonds may be changed from time to time by the Underwriter.

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

The Underwriter and its affiliates are full-service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriter and its affiliates may have, from time to time, performed, and may in the future perform, various investment banking services either for the Issuer and/or the Borrower and affiliates thereof, for which they received or will receive customary fees and expenses. The Underwriter is not acting as financial advisor to the Issuer or the Borrower in connection with the offer and sale of the Bonds.

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 Issuer and/or the Borrower and affiliates thereof.

## **RATING**

Moody's Investors Service, Inc., a Delaware corporation (the "Rating Agency") has assigned to the Bonds the rating set forth on the cover page hereof. An explanation of the significance of such rating may be obtained from the Rating Agency. The rating of the Bonds reflects only the views of the Rating Agency at the time such rating was given, and neither the Issuer nor the Borrower nor the Underwriter makes any representation as to the appropriateness of the rating. The rating is not a recommendation to buy, sell, or hold the Bonds. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the Rating Agency, if in its judgment, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

## **CONTINUING DISCLOSURE**

The Borrower, as the only "obligated person" with respect to the Bonds, will enter into a Continuing Disclosure Agreement, dated as of September 1, 2023 (the "Continuing Disclosure Agreement"), with U.S. Bank Trust Company, National Association, a national banking association, acting as Dissemination Agent, pursuant to which the Borrower will agree to provide ongoing disclosure pursuant to the requirements of Rule 15c2-12 of the United States Securities and Exchange Commission (the "Rule"). Financial statements will be provided at least annually to the Municipal Securities Rulemaking Board (the "MSRB") and notices of certain events will be issued pursuant to the Rule. Information will be filed with the MSRB through its Electronic Municipal Market Access ("EMMA") system, unless otherwise directed by the MSRB. A form of the Continuing Disclosure Agreement is attached hereto as Appendix G.

A failure by the Borrower to comply with the provisions of the Continuing Disclosure Agreement will not constitute a default under the Financing Agreement (although Bondholders will have any available remedy at law or in equity for obtaining necessary disclosures). Nevertheless, such a failure to comply is required to be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds.

The Borrower has not previously been subject to the continuing disclosure requirements of the Rule.

## **THE TRUSTEE**

*The information under this heading has been provided solely by the Trustee and is believed to be reliable, but has not been verified independently by the Issuer or the Underwriter. No representation whatsoever as to the accuracy, adequacy or completeness of such information is made by the Issuer or the Underwriter.*

The Issuer has appointed U.S. Bank Trust Company, National Association, as Trustee under the Indenture. The Trustee is a national banking association organized and existing under the laws of the United States of America, having all of the powers of a bank, including fiduciary powers, and is a member of the Federal Deposit Insurance Corporation and the Federal Reserve System.

The Trustee is to carry out such duties as are assigned to it under the Indenture, the Financing Agreement, and the other Financing Documents. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Official Statement and assumes no responsibility for the nature, contents, accuracy or completeness of the information set forth in this Official Statement or for the recitals contained in the Indenture or the Bonds (except for the certificate of authentication on each Bond), or for the validity, sufficiency, or legal effect of any of such documents.

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

## **ENFORCEABILITY OF REMEDIES**

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

In addition, the Financing Agreement provides that the payment obligations of the Borrower contained therein (other than certain obligations to the Issuer and the Trustee) will be limited obligations payable solely from the income and assets of the Borrower, and that no member of the Borrower will have any personal liability for the satisfaction of any payment obligation of the Borrower under such agreements or of any claim against the Borrower arising out of such agreements or the Indenture.

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

## **RELATIONSHIP AMONG PARTIES**

In connection with the issuance of the Bonds, the Issuer, the Borrower, and the Underwriter are being represented by the attorneys or law firms identified herein. In other transactions not related to the Bonds, each of these attorneys or law firms may have acted as bond counsel or represented the Issuer, the Underwriter, the Borrower, or their affiliates, in capacities different from those described herein, and there will be no limitations imposed as a result of the issuance of the Bonds on the ability of any of those attorneys or firms to act as bond counsel or represent any of these parties in any future transactions. Potential purchasers of the Bonds should not assume that the Issuer, the Underwriter, the Borrower, or their respective counsel or Bond Counsel have not previously engaged in, or will

not after the issuance of the Bonds engage in, other transactions with each other or with affiliates of any of them, and no assurance can be given that there are or will be no past or future relationships or transactions between or among any of these parties or these attorneys or law firms.

#### **ADDITIONAL INFORMATION**

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

The summaries and explanation of, or references to, the Act, the Indenture and the Bonds included in this Official Statement do not purport to be comprehensive or definitive. Such summaries, explanations and references are qualified in their entirety by reference to each such document, copies of which are on file with the Trustee.

The information contained in this Official Statement is subject to change without notice and no implication shall be derived therefrom or from the sale of the Bonds that there has been no change in the affairs of the Issuer, the Borrower or the Project from the date hereof.

This Official Statement has been deemed final in accordance with the Rule. The execution and delivery of this Official Statement has been duly authorized by the Borrower.

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IN WITNESS WHEREOF, the foregoing Official Statement has been executed by the undersigned as of the date first written above.

**TOMPKINS TERRACE HOUSING, L.P.,**  
a New York limited partnership

By: Tompkins Terrace Housing GP, LLC,  
a New York limited liability company,  
its General Partner

By: /s/ Matthew Finkle  
Matthew Finkle  
Vice President

[Issuer signature page to Official Statement]

**DUTCHESS COUNTY LOCAL DEVELOPMENT  
CORPORATION**

By: /s/ Sarah Lee  
Sarah Lee  
Chief Executive Officer

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**APPENDIX A**  
**FANNIE MAE MORTGAGE-BACKED SECURITIES PROGRAM**

*This summary of the Fannie Mae Mortgage Backed Securities Program, the Fannie Mae Certificates and the documents referred to herein has not been provided or approved by Fannie Mae, does not purport to be comprehensive and is qualified in its entirety by reference to the Fannie Mae MBS Prospectus (Multifamily Fixed-Rate Yield Maintenance) for Guaranteed Mortgage Pass-Through Certificates (the “Fannie Mae MBS Prospectus”) which will be available and can be found if and when the MBS is issued, by inputting the CUSIP shown in Appendix H hereto into Fannie Mae’s multifamily disclosure system, DUS Disclose (<https://mfodusdisclose.fanniemae.com/#/home>). The template for the Fannie Mae MBS Prospectus, as of the date of this Official Statement, can be found at <https://capitalmarkets.fanniemae.com/media/23966/display>. The template for the Fannie Mae MBS Prospectus may change from time to time. The Fannie Mae MBS Prospectus, if and when available, will consist of the template for the Fannie Mae MBS Prospectus applicable at the time of the issuance of the MBS with the cover page completed with the MBS-specific information, an Additional Disclosure Addendum substantially in the form attached as Schedule I to this Appendix A, and an Annex A containing information substantially consistent with the Term Sheet attached hereto as Appendix H.*

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

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

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

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

On September 7, 2008, Fannie Mae entered into a senior preferred stock purchase agreement with the Treasury pursuant to which Fannie Mae issued to it one million shares of senior preferred stock and a warrant to purchase, for a nominal price, shares of common stock equal to 79.9% of the outstanding common stock of Fannie Mae. **Nevertheless, Fannie Mae alone is responsible for making payments under its guaranty. The MBS if issued by Fannie Mae and acquired by the Trustee and payments of principal and interest on the MBS will not be guaranteed by the United States and do not constitute a debt or obligation of the United States or any of its agencies or instrumentalities other than Fannie Mae.**

Sponsor and Depositor ..... Fannie Mae is the sponsor of this offering of certificates and the depositor of the mortgage loans into the trust.

Description of MBS.....	The MBS if issued by Fannie Mae and acquired by the Trustee will represent a pro rata undivided beneficial ownership interest in (i) the Mortgage Loan or (ii) the pool of mortgage loan participation interests that comprise the trust. See “MORTGAGE LOAN” in the Official Statement. Fannie Mae will issue the MBS in book-entry form on the book-entry system of the U.S. Federal Reserve Banks. The book-entry MBS will not be convertible into physical certificates.
Minimum Denomination .....	Fannie Mae will issue the MBS in minimum denominations of \$1,000, with additional increments of \$1.
Issue Date .....	The date specified on the front cover page, which is the first day of the month in which the MBS is issued.
Settlement Date .....	The date specified on the front cover page, which is a date no later than the last business day of the month in which the issue date occurs.
Distribution Date .....	The “Distribution Date” is the 25th day of each month which is the date designated for payments to the Trustee as holder of the MBS, if issued. If that day is not a Business Day, payments will be made on the next Business Day. The first Distribution Date for the MBS will occur in the month following the month in which the MBS is issued. For example, if the issue date is September 1st, the distribution date is October 25th or, if October 25th is not a Business Day, the first Business Day following October 25th.
Maturity Date .....	The date specified on the front cover page, which is the date that the final payment is due on the last mortgage loan remaining in the pool.
Use of Proceeds .....	The MBS is backed by a pool of one or more mortgage loans that Fannie Mae recently acquired or already owned. Fannie Mae is issuing the MBS either in exchange for the recently acquired mortgage loans or for cash proceeds that are generally used for purchasing other mortgage loans or for general corporate purposes.
Interest.....	On each Distribution Date, Fannie Mae will pass through on the MBS, if issued, one month’s interest at the “Pass-Through Rate”.

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

As described under the caption “**MATERIAL FEDERAL INCOME TAX CONSEQUENCES**” which can be found at <https://capitalmarkets.fanniemae.com/media/23966/display>, the MBS and payments on the MBS, including interest payments thereon, are subject to federal income taxation. Such interest payments only become excluded from gross income for federal income tax purposes and excluded from taxation by the State, to the extent described elsewhere herein, when applied by the Trustee to pay interest due on the Bonds. See “TAX MATTERS” in the Official Statement herein.



Principal .....

Fannie Mae will receive collections on the Mortgage Loan on a monthly basis. The period Fannie Mae uses to differentiate between collections in one month and collections in another month is called the due period. The due period is the period from and including the second calendar day of the preceding month in which the Distribution Date occurs to and including the first calendar day of the month in which the Distribution Date occurs.

On each Distribution Date, Fannie Mae will pass through principal of the MBS, if issued, as follows:

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

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

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

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

Monthly Pool Factors ..... On or about the fourth Business Day of each month, Fannie Mae publishes the monthly pool factor for each issuance of its certificates. If an investor multiplies the monthly pool factor by the original principal balance of the MBS, the investor will obtain the current principal balance of the MBS, after giving effect to the monthly principal payment to be passed through on the Distribution Date in that month. The most current pool factor is generally available through DUS Disclose on Fannie Mae’s website at <https://mfdusdisclose.fanniemae.com/#/home>.

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

- the aggregate amounts of scheduled and unscheduled principal payments described in “—Principal” above, and
- an amount equal to one month’s interest on the MBS, as described in “—Interest” above.

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

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

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

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

Business Day .....	Any day other than a Saturday or Sunday, a day when the fiscal agent or paying agent is closed, a day when the Federal Reserve Bank of New York is closed or is authorized or obligated by law or executive order to remain closed, or, for purposes of withdrawals from a certificate account, a day when the Federal Reserve Bank is closed in the district where the certificate account is maintained if the related withdrawal is being made from that certificate account.
Trust Documents .....	If issued, the MBS will be issued pursuant to the 2021 Multifamily Master Trust Agreement effective as of January 1, 2021, as supplemented by a trust issue supplement for that issuance. Certain pertinent provisions of the trust agreement in the Fannie Mae MBS Prospectus will apply. Investors should refer to the trust agreement and the related trust issue supplement for a complete description of their rights and obligations as well as those of Fannie Mae in its various capacities. The current form of the trust agreement, as of the date hereof, may be found on Fannie Mae’s website: <a href="http://www.fanniemae.com">http://www.fanniemae.com</a> .
Trustee .....	Fannie Mae serves as the trustee for the trust pursuant to the terms of the trust agreement and the related trust issue supplement.
Paying Agent .....	An entity designated by Fannie Mae to perform the functions of a paying agent. The Federal Reserve Bank of New York currently serves as Fannie Mae’s paying agent for certificates such as the MBS.
Fiscal Agent.....	An entity designated by Fannie Mae to perform certain administrative functions for the trust. The Federal Reserve Bank of New York currently serves as Fannie Mae’s fiscal agent for certificates such as the MBS.
Multifamily Mortgage Loan Pool.	Each mortgage loan in the pool is a fixed-rate loan included in one of the following categories: <ul style="list-style-type: none"> <li>• Fixed-rate loans with monthly payments of interest only during their entire loan terms, with a balloon payment of all outstanding principal at maturity;</li> <li>• Fixed-rate loans with monthly payments of interest only during specified initial periods, followed by monthly payments of principal and interest for their remaining loan terms, with a balloon payment of all outstanding principal at maturity;</li> <li>• Fixed-rate loans with monthly payments of interest only during specified initial periods, followed by monthly payments of principal and interest that fully amortize over their remaining loan terms;</li> <li>• Fixed-rate loans with monthly payments of interest and principal during their entire loan terms, with a balloon payment of all outstanding principal at maturity; and</li> <li>• Fixed-rate loans with monthly payments of interest and principal that fully amortize over their loan terms.</li> </ul>

Multifamily Mortgage Loans.....	Each mortgage loan in the pool was acquired from a multifamily mortgage loan seller that Fannie Mae has approved. A mortgage loan may have been originated by the seller or may have been acquired by the seller from the originator of the loan, which may or may not be an approved mortgage loan seller. Each mortgage loan that Fannie Mae acquires either meets its published standards or is reviewed by Fannie Mae before delivery to determine its suitability. Fannie Mae may modify its standards or permit waivers on specific transactions from time to time.
Types of Property .....	<p>Each mortgage loan in the pool is secured by a lien on one or more of the following types of property:</p> <ul style="list-style-type: none"> <li>• Multifamily residential properties;</li> <li>• Cooperative housing projects;</li> <li>• Dedicated student housing;</li> <li>• Manufactured housing communities;</li> <li>• Military housing; or</li> <li>• Seniors housing</li> </ul> <p>Annex A discloses the type of property securing each mortgage loan in the pool and the priority of each lien. Any type of property may also be considered affordable housing; Annex A discloses certain affordable housing characteristics.</p>
Termination .....	The trust will terminate when the certificate balance of the certificates has been reduced to zero, and all required distributions have been passed through to certificateholders. Fannie Mae has no unilateral option to cause an early termination of the trust other than by purchasing a mortgage loan from the pool for a reason permitted by the trust documents.
Federal Income Tax Consequences .....	The mortgage pool will be classified as a fixed investment trust. Unless otherwise disclosed in the Additional Disclosure Addendum to the Fannie Mae Prospectus, Fannie Mae will file an election to treat the mortgage pool as a being included in the assets of a real estate mortgage investment conduit (“REMIC”). In that case, for federal income tax purposes the related certificate will represent ownership of a REMIC regular interest and an interest in any associated prepayment premiums, in each case, in respect of each mortgage loan in the pool. See “ <b>MATERIAL FEDERAL INCOME TAX CONSEQUENCES</b> ” in the Fannie Mae MBS Prospectus.
Whole Pool Certificates.....	Fannie Mae’s counsel, Katten Muchin Rosenman LLP, has advised Fannie Mae that certificates issued under the trust documents that represent 100% of the beneficial interests in a pool of mortgage loans (or participation interests therein) held in the related trust and with respect to which REMIC elections are made will qualify as “whole pool certificates” to the same extent as certificates that represent 100% of the beneficial interests in a pool of mortgage loans (or participation interests therein) held in a trust with respect to which no REMIC elections are made.

- Resecuritization ..... Following the assignment of mortgage loans to a trust, the related certificates upon issuance will represent the initial securitization of the mortgage loans. Any further assignment of the certificates to a REMIC trust or other issuance vehicle will represent the initial resecuritization of the mortgage loans. Certificates backed by mortgage loans with respect to which a REMIC election is made may be resecuritized to the same extent as, and may be commingled freely with, certificates backed by mortgage loans with respect to which no REMIC election is made.
- Legal Investment Considerations . Under the Secondary Mortgage Market Enhancement Act of 1984, the certificates offered by this prospectus will be considered “securities issued or guaranteed by ... the Federal National Mortgage Association.” Nevertheless, investors should consult their own legal advisor to determine whether and to what extent the certificates of an issuance constitute legal investments for them.
- ERISA Considerations..... For the reasons discussed in “ERISA CONSIDERATIONS” in the Fannie Mae MBS Prospectus, an investment in the certificates by a plan subject to the Employee Retirement Income Security Act (“ERISA”) will not cause the assets of the plan to include the mortgage loans underlying the certificates or the assets of Fannie Mae under the fiduciary provisions of ERISA or the prohibited transaction provisions of ERISA or Section 4975 of the Internal Revenue Code of 1986, as amended (the “Code”). Nevertheless, fiduciaries of such plan investors should consult with counsel regarding the applicability of the provisions of ERISA and Section 4975 of the Code before purchasing the certificates.

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## SCHEDULE I

### FORM OF ADDITIONAL DISCLOSURE ADDENDUM

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

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

The MBS certificates will initially serve as collateral for a tax exempt issue of multifamily housing bonds (the “Bonds”) issued by the Dutchess County Local Development Corporation (the “Issuer”) pursuant to and secured by an indenture of trust by and between the Issuer and U.S. Bank Trust Company, National Association, as trustee, and will be held as collateral for the Bonds. The mortgage loan documents provide that the mortgage loan is cross-defaulted with certain agreements relating to the Bonds entered into at the time of the issuance of the Bonds, including but not limited to the indenture authorizing the Bonds and any housing regulatory agreements that limit rents, impose income restrictions or otherwise restrict the use of the property.

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

The borrower entered into a declaration of interest and nominee agreement, as amended from time to time (“Nominee Agreement”), with Tompkins Terrace Housing Development Fund Company, Inc., a New York not-for-profit corporation (“HDFC”), pursuant to which HDFC holds legal title to the mortgaged property on behalf of borrower. In accordance with the Nominee Agreement, the borrower has all equitable and beneficial ownership in the mortgaged property. HDFC is joining the Security Instrument so that both the HDFC’s fee interest in the mortgaged property and the borrower’s beneficial interest are encumbered by the Security Instrument.

Section 577 of the New York Private Housing Finance Law (“PHFL”) authorizes the local legislative body of a New York municipality to exempt a housing project owned by a housing development fund company such as HDFC from real property taxes in that municipality for up to 40 years. The City Council of the City of Beacon, New York the applicable local legislative body, approved a 40 year real property exemption for the mortgaged property conditioned on the borrower and the HDFC entering into a payment in lieu of taxes agreement (“PILOT Agreement”) with the City of Beacon, New York and the borrower operating the mortgaged property in compliance with the affordability restrictions under the PILOT Agreement. Failure by HDFC or borrower to comply with provisions of the Nominee Agreement, the PILOT Agreement or the Security Instrument would be an event of default under the mortgage loan documents. If there is an event of default under the mortgage loan, the loan may be accelerated, resulting in the prepayment in full of the loan. If that occurs, you will receive an early distribution of principal from the mortgage loan. If the mortgage loan is the only loan in the pool, the pool will be terminated, and the stated principal balance will be distributed to the holders of the MBS certificates. In this case, no yield maintenance or other prepayment premiums will be payable to the holders of the MBS certificates. See “THE MORTGAGE LOANS—Characteristics of Multifamily Properties—Mortgage Loan Secured by Property Receiving Real Estate Tax Benefits” and “RISK FACTORS—RISKS RELATING TO YIELD AND PREPAYMENT—Prepayments Relating to Specific Types of

Mortgage Loans and Mortgage Properties—A mortgaged property may benefit from a state or local property tax exemption or tax abatement that requires the borrower and the property to maintain compliance with specific requirements. The failure to meet those requirements may be an event of default under the mortgage loan” in the Fannie Mae MBS Prospectus for additional information.

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

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## APPENDIX B DEFINITIONS OF CERTAIN TERMS

*Certain capitalized terms used in this Official Statement are defined below. The following is subject to all the terms and provisions of the Indenture, to which reference is hereby made and copies of which are available from the Issuer or the Trustee.*

“Act” means Section 1411 of the New York Not-for-Profit Corporation Law.

“Authorized Borrower Representative” means any person who, at any time and from time to time, is designated as the Borrower’s authorized representative by written certificate furnished to the Issuer and the Trustee containing the specimen signature of such person and signed on behalf of the Borrower by or on behalf of any authorized general partner of the Borrower if the Borrower is a general or limited partnership, by any authorized managing member of the Borrower if the Borrower is a limited liability company, or by any authorized officer of the Borrower if the Borrower is a corporation, which certificate may designate an alternate or alternates. The Trustee may conclusively presume that a person designated in a written certificate filed with it as an Authorized Borrower Representative is an Authorized Borrower Representative until such time as the Borrower files with it (with a copy to the Issuer) a written certificate revoking such person’s authority to act in such capacity. The initial Authorized Borrower Representatives are Matthew Finkle and David Pearson.

“Authorized Denomination” means \$1,000 or any integral multiple of \$1.00 in excess thereof.

“Authorized Officer” means (a) the Chairman, the Vice Chairman, the Chief Executive Officer, the Chief Financial Officer, the Secretary or the Assistant Secretary of the Issuer, and (b) any Vice President or Assistant Vice President of the Trustee having regular responsibility for corporate trust matters.

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

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

“Bond” or “Bonds” means the Multifamily Tax-Exempt Mortgage-backed Bonds (M-TEBS) (SOCIAL<sup>†</sup>) Series 2023 (Tompkins Terrace Housing, L.P. Project) in the principal amount of \$24,180,000 authorized under and secured by the Indenture and issued pursuant to the Indenture.

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

“Bond Dated Date” means September 1, 2023.

“Bond Maturity Date” means October 1, 2040. The final payment of principal with respect to the MBS will be made on October 25, 2040, or the following Business Day if such day is not a Business Day, and will be paid to the Bondholders on the following Business Day.

“Bond Proceeds Fund” means the Fund of that name created and so designated pursuant to the Indenture.

“Bond Purchase Agreement” means the Bond Purchase Agreement, dated September 6, 2023, among the Underwriter, the Issuer and the Borrower.

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

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<sup>†</sup> The Bonds are captioned as “Social” based on the Borrower’s expectation of the Project meeting the Social criteria for MBS under the Fannie Mae Sustainable Framework and not any social standard established by the Issuer. See “APPENDIX J—FANNIE MAE SUSTAINABLE FRAMEWORK” herein. The Issuer has not determined that the Bonds themselves qualify for designation as Social and has not made an independent determination as to whether the Project qualifies as Social.

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

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

“Borrower” means Tompkins Terrace Housing, L.P., a New York limited partnership, and any permitted successors or assigns of such entity.

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

“Closing Date” means September 12, 2023.

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

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

“Costs of Issuance Deposit” means the amount deposited on the Closing Date into the Costs of Issuance Fund.

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

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

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

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

“Electronic Means” means a facsimile transmission or any other Electronic Notice approved in writing by Fannie Mae.

“Electronic Notice” shall mean any of the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services under the Indenture.

“Eligible Funds” means:

- (a) the proceeds of the Bonds or any other amounts received by the Trustee from the Underwriter;
- (b) moneys drawn on a letter of credit;

(c) any amounts received by the Trustee representing advances to the Borrower of proceeds of the Mortgage Loan;

(d) any other amounts for which the Trustee has received an Opinion of Counsel to the effect that the use of such amounts to make payments on the 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 547 or 550 of the Bankruptcy Code should the Borrower become a debtor in proceedings commenced under the Bankruptcy Code;

(e) any payments held by the Trustee for a continuous period of 123 days, provided that no act of bankruptcy with respect to the Borrower has occurred during such period; and

(f) investment income derived from the investment of the money described in (a) through (e) above.

“Eligible Investments” means any of the following investments which at the time are legal investments for moneys of the Issuer which are then proposed to be invested therein and each of which investments must mature or be guaranteed to be able to be tendered at a price of par at such time or times as to enable timely disbursements to be made from the fund in which such investment is held or allocated in accordance with the terms of the Indenture:

(a) Government Obligations; and

(b) to the extent permitted in the Indenture, shares or units in any money market mutual fund rated “Aaa-mf” by Moody’s (or the equivalent Highest Rating Category given by the Rating Agency for that general category of security) (including mutual funds of the Trustee or its affiliates or for which the Trustee or an affiliate thereof serves as investment advisor or provides other services to such mutual fund and receives reasonable compensation therefor) that are registered under the Investment Company Act of 1940, as amended, whose investment portfolio consists solely of direct obligations of the government of the United States of America.

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

“Extension Deposit” means the deposit of Eligible Funds described in the Indenture.

“Extraordinary Issuer Fees and Expenses” means the expenses and disbursements payable to the Issuer under the Indenture for Extraordinary Services and Extraordinary Expenses, including extraordinary fees, costs and expenses incurred by the Issuer, Bond Counsel and counsel to the Issuer which are to be paid by the Borrower pursuant to the Financing Agreement.

“Extraordinary Services” and “Extraordinary Expenses” mean all services rendered and all reasonable expenses properly incurred by the Trustee or the Issuer under the Indenture or the Financing Agreement, other than Ordinary Services and Ordinary Expenses. Extraordinary Services and Extraordinary Expenses shall specifically include but are not limited to services rendered or expenses incurred by the Trustee or the Issuer in connection with, or in contemplation of, an Event of Default.

“Extraordinary Trustee Fees and Expenses” means the expenses and disbursements payable to the Trustee under the Indenture for Extraordinary Services and Extraordinary Expenses, including extraordinary fees, costs and expenses incurred by the Trustee and the Trustee’s counsel which are to be paid by the Borrower pursuant to the Financing Agreement.

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

“Fannie Mae Certificate” means a guaranteed mortgage pass-through Fannie Mae mortgage backed security issued by Fannie Mae in book-entry form, recorded in the name of the Trustee or its nominee, guaranteed as to timely payment of principal of and interest by Fannie Mae, and backed by the Mortgage Loan.

“Financing Agreement” means the Financing Agreement dated as of September 1, 2023, among the Issuer, the Borrower and the Trustee.

“Financing Documents” means the Financing Agreement, the Regulatory Agreement, the Tax Certificate, the Indenture and the Bond Purchase Agreement.

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

“Government Obligations” means (i) noncallable, non-redeemable direct obligations of the United States of America for the full and timely payment of which the full faith and credit of the United States of America is pledged, and (ii) obligations issued by a Person controlled or supervised by and acting as an instrumentality of the United States of America, the full and timely payment of the principal of, premium, if any, and interest on which is fully guaranteed as a full faith and credit obligation of the United States of America (including any securities described in (i) or (ii) issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), which obligations, in either case, are not subject to redemption prior to maturity at less than par at the option of anyone other than the holder thereof.

“HDFC” means Tompkins Terrace Housing Development Fund Company, Inc., a not-for-profit corporation organized and existing under the laws of the State.

“Highest Rating Category” means, with respect to an Eligible Investment, that the Eligible Investment is rated by a Rating Agency in the highest rating given by that Rating Agency for that Rating Category, provided that such rating shall include but not be below Aaa or Aaa/VMIG-1 if rated by Moody’s or A-1+ or AA+ if rated by S&P.

“Indenture” means the Indenture of Trust dated as of September 1, 2023, by and between the Issuer and the Trustee, as it may from time to time be amended, modified or supplemented by Supplemental Indentures.

“Investor Limited Partner” means Key Community Development Corporation, as nominee, and its successors and/or assigns.

“Issuer” means Dutchess County Local Development Corporation.

“Issuer Fees and Expenses” means, collectively, the Ordinary Issuer Fees and Expenses and the Extraordinary Issuer Fees and Expenses. The Issuer Fees and Expenses shall be payable by the Borrower, and not from funds pledged to the benefit of the Trust Estate.

“Lender” means KeyBank National Association, a national banking association, and any successors and assigns of such entity.

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

“MBS” shall mean the Fannie Mae Certificate identified in the Indenture that is pledged by the Issuer to the Trustee pursuant to the Indenture.

“MBS Dated Date” means the 1<sup>st</sup> day of the month in which the MBS is delivered.

“MBS Delivery Date” means the date on which the Trustee receives the MBS backed by the Mortgage Loan, which shall occur not later than the MBS Delivery Date Deadline.

“MBS Delivery Date Deadline” means October 25, 2023, or, if such day is not a Business Day, the following Business Day, as such date may be extended pursuant to the Indenture.

“MBS Purchase Price” means the principal amount outstanding on the Mortgage Loan as of the MBS Delivery Date plus accrued interest on the MBS from the MBS Dated Date to the MBS Delivery Date at the Pass-Through Rate.

“MBS Revenues” means all payments made under and pursuant to the MBS.

“Monthly Pool Factor” means the applicable factor posted by Fannie Mae (as of the Closing Date, on Fannie Mae’s website through DUS Disclose at <https://mfdusdisclose.fanniemae.com/#/home>) on the MBS from time to time as the Mortgage Loan amortizes, which represents the percentage of the original balance of the MBS that is outstanding as of a given date.

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

“Mortgage” means the Multifamily Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated as of September 12, 2023, together with all riders and exhibits, securing the Mortgage Loan, executed by the Borrower and HDFC in favor of the Lender, as the same may be amended from time to time.

“Mortgage Loan” means the interest-bearing loan for multifamily housing relating to the Bonds which is evidenced by the Mortgage Note and secured by the Mortgage and the Multifamily Loan and Security Agreement.

“Mortgage Loan Amortization Schedule” means the mortgage loan amortization schedule delivered to the Trustee on the Closing Date, as the same may be replaced by an amended mortgage loan amortization schedule delivered to the Trustee pursuant to the Financing Agreement.

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

“Mortgage Note” means the Multifamily Note dated the Closing Date from the Borrower payable to the order of the Lender evidencing the Borrower’s obligation to repay the Mortgage Loan, as the same may be amended from time to time.

“Multifamily Loan and Security Agreement” means the Multifamily Loan and Security Agreement dated September 12, 2023, executed by the Borrower and the Lender.

“Negative Arbitrage Account” means the Negative Arbitrage Account of the Revenue Fund created pursuant to the Indenture.

“Negative Arbitrage Deposit” means Eligible Funds in the amount of \$165,000 to be deposited on the Closing Date into the Negative Arbitrage Account and as otherwise set forth in the Indenture.

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

“Ordinary Issuer Fees and Expenses” means \$121,430; provided, however, the amount of Ordinary Issuer Fees and Expenses payable under the Indenture is limited to money withdrawn from the Costs of Issuance Fund (if any) and the Borrower will be responsible to pay the remaining amount of the Ordinary Issuer Fees and Expenses

pursuant to the Financing Agreement. In addition, all amounts due to the Issuer for Extraordinary Services and all Extraordinary Expenses of the Issuer will be paid directly by the Borrower pursuant to the Financing Agreement.

“Ordinary Services” and “Ordinary Expenses” mean those services normally rendered, and those expenses normally incurred, by an issuer or a trustee under instruments similar to the Indenture.

“Ordinary Trustee Fees and Expenses” means amounts due to the Trustee for the Ordinary Services and the Ordinary Expenses of the Trustee incurred in connection with its duties under the Indenture, payable annually in advance on the Closing Date and on each anniversary thereof in the amount of \$3,000 (together with an acceptance fee of \$2,500 payable upon execution of the Indenture) as well as the annual sum of \$1,000 in connection with its duties as Dissemination Agent under the Continuing Disclosure Agreement; provided, however, the amount of Ordinary Trustee Fees and Expenses payable under the Indenture is limited to money withdrawn from the Costs of Issuance Fund (if any) and the Borrower will be responsible to pay the remaining amount of the Ordinary Trustee Fees and Expenses pursuant to the Financing Agreement. In addition, all amounts due to the Trustee for Extraordinary Services and all Extraordinary Expenses of the Trustee will be paid directly by the Borrower pursuant to the Financing Agreement.

“Outstanding” means, when used with respect to the Bonds and as of any date, all Bonds theretofore authenticated and delivered under the Indenture except:

(a) any Bond cancelled by the Trustee or delivered to the Trustee for cancellation;

(b) any Bond for the payment or redemption of which either (i) moneys equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, or (ii) specified types of Eligible Investments or moneys in the amounts, of the maturities and otherwise as described and required under the Indenture, shall have theretofore been deposited with the Trustee in trust (whether upon or prior to maturity or the redemption date of such Bond) and, except in the case of a Bond to be paid at maturity, as to which a redemption notice shall have been given or provided for in accordance with the Indenture, and

(c) any Bond in lieu of or in exchange for which another Bond shall have been authenticated and delivered pursuant to the Indenture.

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

“Pass-Through Rate” means the rate set forth in “APPENDIX H — TERM SHEET” hereto.

“Payment Date” means (i) the 26th day of the month following the month in which the Closing Date occurs and the 26th day of each month thereafter, or the next succeeding Business Day if such 26th day is not a Business Day, until and including the 26th day of the month in which the MBS Delivery Date occurs, (ii) commencing in the first month immediately following the month in which the MBS Delivery Date occurs, the Business Day immediately after the date of receipt by the Trustee of a payment received on the MBS and (iii) with respect to any redemption in lieu of an exchange of the Bonds for the MBS pursuant to the Indenture, the day on which the Trustee receives funds pursuant to the transfer of the applicable amount of the MBS to or upon the order of the Issuer. The payment of interest on a Payment Date shall relate to the interest accrued during the preceding calendar month. There shall be no further accrual of interest on the Bonds after the Bond Maturity Date.

“Project” means (A) the acquisition of an approximately 16.3-acre parcel of land located at 194 Tompkins Terrace (aka 1-193 Tompkins Terrace) in the City of Beacon, Dutchess County, New York bearing Tax Grid ID No.130200-5955-19-588084-0000 (the “Land”, together with the existing 193-unit affordable housing complex located on the Land, the “Existing Improvements”); (B) the rehabilitation, renovation, refurbishment and upgrading of the Existing Improvements, including, but not limited to, (i) exterior improvements including replacement of all roofing, gutters, windows, siding, unit entry and patio doors, lighting, property signage and painting; (ii) interior improvements including replacement of all unit flooring, lighting and plumbing fixtures plus new appliances (including Energy Star refrigerators), toilets, exhaust fans, sinks, and kitchen/bathroom cabinets and countertops, as

well as HVAC improvements; (iii) other ancillary improvements to the site including landscaping enhancements, drainage repairs, new entrance breezeways, a new playground, upkeep to parking areas, concrete flatwork repairs, and accessibility (ADA) upgrades to the site; (iv) installation of security cameras as needed and installation of in-unit WiFi throughout the site to provide free WiFi access to residents; and (v) related amenities and improvements (collectively, the "Improvements"); (C) the acquisition and installation in and around the Improvements of certain items of machinery, equipment, fixtures, furniture and other incidental tangible personal property; (D) funding any debt service reserve fund to be pledged to secure such Bonds; (E) paying of all or a portion of the costs incidental to the issuance of the Bonds.

"Project Costs" means the following costs of the Project:

(a) Costs incurred directly or indirectly for or in connection with the acquisition (including the acquisition of a fee simple interest), construction, rehabilitation, improvement and equipping of the Project, including costs incurred in respect of the Project for preliminary planning and studies; architectural, legal, engineering, accounting, consulting, supervisory and other services; labor, services and materials; and recording of documents and title work and insurance.

(b) Premiums attributable to any surety bonds and insurance required to be taken out and maintained during the construction period with respect to the Project.

(c) Taxes, assessments and other governmental charges in respect of the Project that may become due and payable during the construction period.

(d) Costs incurred directly or indirectly in seeking to enforce any remedy against any contractor or subcontractor in respect of any actual or claimed default under any contract relating to the Project.

(e) Subject to the limitations set forth in the Tax Certificate, Costs of Issuance, including, financial, legal, accounting, cash flow verification, printing and engraving fees, charges and expenses, and all other such fees, charges and expenses incurred in connection with the authorization, sale, issuance and delivery of the Bonds, including, without limitation, the fees and expenses of the Trustee properly incurred under the Indenture that may become due and payable during the construction period.

(f) Any other costs, expenses, fees and charges properly chargeable to the cost of acquisition, construction, rehabilitation, improvement and equipping of the Project.

(g) Payment of interest on the Bonds during the construction period.

"Rating Agency" means Moody's, S&P or any other nationally recognized securities rating agency rating the Bonds, or such rating agency's successors or assigns, and initially means Moody's so long as Moody's is rating the Bonds.

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

"Record Date" means the close of business on the last day of the calendar month prior to the calendar month in which a payment occurs.

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

"Regulations" means the federal income tax regulations promulgated or proposed under the Code by the Department of the Treasury, as the same may hereafter be amended, including without limitation regulations promulgated by the Department of the Treasury to implement the requirements of Section 148 of the Code.

“Regulatory Agreement” means the Tax Regulatory Agreement relating to the Project, dated as of September 12, 2023, by and among the Issuer, the Trustee, the Borrower and the HDFC, as it may be amended, supplemented or restated from time to time.

“Rehabilitation Fund” means the Fund created and so designated pursuant to the Indenture.

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

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

“Resolution” means the resolution of the Issuer adopted on July 12, 2023, authorizing the issuance and sale of the Bonds.

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

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

“State” means the State of New York.

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

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

“Surplus Fund” means the Fund of that name created and so designated by the Indenture.

“Tax Certificate” means collectively the (a) Certificate as to Arbitrage of the Issuer dated the date of delivery of the Bonds, including an Arbitrage Certification of the Borrower (together, the “Arbitrage Certificate”), and (b) Tax Certification of the Borrower dated the date of delivery of the Bonds (the “MF Tax Certification”), as amended, supplemented or otherwise modified from time to time.

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

“Trustee” means U.S. Bank Trust Company, National Association, a national banking association.

“Trustee Fees and Expenses” means, collectively, the Ordinary Trustee Fees and Expenses and the Extraordinary Trustee Fees and Expenses.

“Underwriter” means KeyBanc Capital Markets Inc.



**APPENDIX C**  
**SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE**

*The following is a summary of certain provisions of the Indenture which are not described elsewhere in the Official Statement. This summary does not purport to be comprehensive, and reference should be made to the Indenture for a full and complete statement of its provisions.*

**Authorization, Transfer and Registration, and Terms of Bonds**

Authorization of Bonds. The Bonds of the Issuer are authorized by the Indenture to be issued in an aggregate principal amount set forth in the Indenture and shall be issued subject to the terms, conditions and limitations established in the Indenture as provided therein. The Bonds shall be issued initially as Book-Entry Bonds. The Bonds may be executed by or on behalf of the Issuer, authenticated by the Trustee and delivered or caused to be delivered by the Trustee to the original purchasers thereof upon compliance with the requirements set forth in the Indenture.

Execution; Limited Obligation. The Bonds shall be signed by, or bear the facsimile or manual signature of, an Authorized Officer of the Issuer, and attested to by the manual or facsimile signature of an Authorized Officer of the Trustee. In case any one or more of the officers of the Issuer who shall have signed any of the Bonds or whose signature appears on any of the Bonds shall cease to be such officer before the Bonds so signed shall have been actually authenticated or delivered or caused to be delivered by the Trustee or issued by the Issuer, such Bonds may, nevertheless, be authenticated and issued and, upon such authentication, delivery and issue, shall be as binding upon the Issuer as if the persons who signed such Bonds or whose signatures appear on any of the Bonds had not ceased to hold such offices until such delivery. Any Bond may be signed on behalf of the Issuer by such persons as at the actual time of execution of the Bonds shall be duly authorized or hold the proper office in the Issuer, although at the date of issuance and delivery of the Bonds such persons may not have been so authorized or have held such office.

Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Issuer, at the expense of the owner of such Bond shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be cancelled by it and delivered to, or upon the order of, the Issuer. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence shall be satisfactory to it and indemnity satisfactory to the Trustee shall be given, the Issuer, at the expense of the owner of such Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor. The Trustee may require payment of a sum not exceeding the actual cost of preparing each new Bond authenticated and delivered under this section and of the expenses which may be incurred by the Issuer and the Trustee in the preparation of such new Bond. Any Bond authenticated and delivered under the provisions of this section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Issuer whether or not the Bond so alleged to be lost, destroyed or stolen shall be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of the Indenture with all other Bonds secured by the Indenture. If any such Bond shall have matured, or is about to mature, instead of issuing a new Bond the Trustee may pay the same without surrender thereof upon receipt of the aforementioned indemnity.

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

The registration of each Bond is transferable by the registered owner thereof in person or by its attorney duly authorized in writing at the designated corporate trust office of the Trustee. Upon surrender for registration of transfer of any Bond at such office, the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Bond of the same maturity or maturities and Authorized Denomination for the same aggregate principal amount. Bonds to be exchanged shall be surrendered at said designated corporate trust office of the Trustee, and the Trustee

shall authenticate and deliver in exchange therefor a Bond of equal aggregate principal amount of the same maturity and Authorized Denomination.

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

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

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

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

### **Mandatory Redemption of Bonds**

The Bonds are subject to mandatory redemption under the Indenture as follows:

Mandatory Redemption Prior to MBS Delivery Date. On any Payment Date that occurs prior to or during the month in which the MBS is delivered to the Trustee, the Bonds are subject to mandatory redemption in part in an amount equal to the amount due on the first day of the month in which such Payment Date occurs as shown in the Mortgage Loan Amortization Schedule, payable with respect to principal, from money on deposit in the Bond Proceeds Fund, and with respect to interest, from money on deposit in the Revenue Fund or other Eligible Funds.

Mandatory Redemption Upon Failure to Purchase the MBS by the MBS Delivery Date Deadline. The Bonds are subject to mandatory redemption in whole five (5) calendar days after the MBS Delivery Date Deadline at a Redemption Price equal to 100% of the Outstanding principal amount thereof, plus interest accrued but unpaid from the first day of the month in which the last Payment Date occurred (or, if no Payment Date has occurred, from the Bond Dated Date) to, but not including, such redemption date, if the MBS Delivery Date has not occurred on or prior to the MBS Delivery Date Deadline, payable with respect to principal first, from money on deposit in the Bond Proceeds Fund, and with respect to premium, if any, and interest, from money on deposit in the Revenue Fund.

Mandatory Redemption on the MBS Delivery Date. The Bonds are subject to mandatory redemption in part on the MBS Delivery Date at a Redemption Price equal to 100% of the principal amount of the Bonds to be redeemed, plus interest accrued but unpaid from the first day of the month in which the last Payment Date occurred to, but not including, the MBS Delivery Date, in an amount equal to the difference between (i) the principal amount of the MBS purchased on the MBS Delivery Date and (ii) the aggregate principal amount of the Bonds Outstanding as of the first day of the month in which the MBS Delivery Date occurred, payable with respect to principal first, from money on deposit in the Bond Proceeds Fund, and with respect to interest and premium, if any, from money on deposit in the Revenue Fund and other Eligible Funds.

Mandatory Redemption Following the MBS Delivery Date. Following the MBS Delivery Date, the Bonds are subject to mandatory redemption in whole or in part one Business Day after the date on which each principal payment or prepayment is received pursuant to the MBS, at a Redemption Price equal to 100% of the principal amount, plus interest and premium, if any, received pursuant to the MBS.

**Mandatory Redemption in Lieu of Exchange.** The Bonds are subject to mandatory redemption in whole or in part pursuant to the Indenture for an amount equal to the outstanding par amount plus accrued interest in lieu of delivering to the Beneficial Owner of the Bonds its proportional interest in the MBS based upon its proportional interest in the Bonds. Any such redemption shall be made in the amounts, from the sources and in accordance with the provisions of the Indenture.

Notwithstanding anything to the contrary in the Indenture, the Bonds are not subject to optional redemption, but are subject to redemption prior to maturity in connection with a prepayment of the Mortgage Loan, as set forth in the Indenture.

### **Notice of Redemption**

Anytime the Bonds are subject to redemption in whole or in part pursuant to the Indenture, the Trustee, in accordance with the provisions of the Indenture, shall give at least five (5) calendar days' notice, in the name of the Issuer, of the redemption of the Bonds, which notice shall specify the following: (i) the maturity and principal amounts of the Bonds to be redeemed; (ii) the CUSIP number, if any, of the Bonds to be redeemed; (iii) the date of such notice; (iv) the issuance date for such Bonds; (v) the interest rate on the Bonds to be redeemed; (vi) the redemption date; (vii) any conditions to the occurrence of the redemption; (viii) the place or places where amounts due upon such redemption will be payable; (ix) the Redemption Price; (x) the Trustee's name and address with a contact person and a phone number; and (xi) that on the redemption date, the Redemption Price shall be paid. Notice delivered as required in this heading "Notice of Redemption" with respect to a redemption described under the heading "Mandatory Redemption Upon Failure to Purchase the MBS by the MBS Delivery Date Deadline," above, may be rescinded and annulled on or before the MBS Delivery Date Deadline if (i) the MBS is delivered on or prior to the MBS Delivery Date Deadline or (ii) the MBS Delivery Date Deadline is extended pursuant to the Indenture. Neither the giving of such notice by the Trustee nor the receipt of such notice by the Bondholders shall be a condition precedent to the effectiveness of any such redemption. Notwithstanding anything herein to the contrary, no notice of redemption shall be required with respect to redemptions described under the headings "Mandatory Redemption Prior to MBS Delivery Date" and "Mandatory Redemption Following the MBS Delivery Date," above, and notice of redemption required in connection with a redemption described under the heading "Mandatory Redemption in Lieu of Exchange," above, shall be given as described in the Indenture.

The Bonds to be redeemed in part pursuant to the Indenture will be selected in accordance with the operational arrangements of DTC or any successor Substitute Depository, and any partial prepayments pursuant thereto shall be made in accordance with the "Pro Rata Pass-Through Distributions of Principal" procedures of DTC or comparable procedures of any successor Substitute Depository.

In the event that the MBS has not been purchased by, and delivered to, the Trustee ten (10) Business Days prior to the MBS Delivery Date Deadline (as such date may be extended under the Indenture), the Trustee shall provide, ten (10) Business Days prior to the MBS Delivery Date Deadline, to the Borrower, the Lender, the Issuer and the Underwriter, written notice of such non-purchase.

Notwithstanding this section, no prior notice shall be a prerequisite to the effectiveness of any redemption under the heading "Mandatory Redemption of Bonds" which redemption shall occur and be effective irrespective of whether the Trustee fulfills its obligation to provide the notice with respect to the heading "Redemption," above, required under this heading "Notice of Redemption."

### **Payment of Redemption Price**

With respect to any redemption pursuant to the heading "Mandatory Redemption of Bonds" above, notice having been given in the manner provided in the heading "Notice of Redemption" above (or not required to be given as a result of a redemption pursuant to the headings "Mandatory Redemption of Bonds — Mandatory Redemption Prior to MBS Delivery Date" or "Mandatory Redemption of Bonds — Mandatory Redemption Following the MBS Delivery Date" above), and all conditions to the redemption contained in such notice, if applicable, having been met, the Bonds so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price specified in the heading "Mandatory Redemption of Bonds" above, and, except in the case of a redemption as described under the heading "Mandatory Redemption of Bonds — Mandatory Redemption Following

the MBS Delivery Date,” upon presentation and surrender thereof at the offices specified in such notice, together with, in the case of Bonds presented by other than the registered owner, a written instrument of transfer duly executed by the registered owner or its duly authorized attorney; provided, however, that so long as the Bonds are registered in the name of the Depository, payment for such redeemed Bonds shall be made in accordance with the Representation Letter of the Issuer (or, in the case of a redemption pursuant to the heading “Optional Exchange of Bonds for MBS” herein, in accordance with the provisions of such section). If, on the redemption date, moneys for the redemption of all of the Bonds or the Bonds to be redeemed, together with all accrued interest on such Bonds, which shall equal all interest accrued on the MBS, if delivered, to the redemption date, shall be held by the Trustee so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date, interest on the Bonds so called for redemption shall cease to accrue.

### **Extension of MBS Delivery Date Deadline**

At any time prior to the MBS Delivery Date Deadline, the Borrower may extend the MBS Delivery Date Deadline by (i) providing to the Trustee, the Lender, the Issuer, the Rating Agency and the Underwriter written notice of any extension of the MBS Delivery Date Deadline, and (ii) depositing Eligible Funds for the credit of the Negative Arbitrage Account of the Revenue Fund in an amount, taking into account amounts already on deposit therein, sufficient to pay interest due on the Bonds to the date that is five (5) calendar days after the extended MBS Delivery Date Deadline (the “Extension Deposit”). Extension Deposits may continue to be made by or on behalf of the Borrower until the MBS Delivery Date occurs or the Borrower declines to make an Extension Deposit resulting in the mandatory redemption pursuant to the Indenture; provided, however, the MBS Delivery Date Deadline may not be extended to a date that is later than the third anniversary of the Bond Dated Date unless prior to any extension beyond such date there shall be filed with the Trustee and the Issuer an opinion of Bond Counsel to the effect that such extension will not, in and of itself, adversely affect the exclusion of interest on the Bonds from gross income for Federal income tax purposes. The cost of such opinion shall be the sole responsibility of the Borrower.

### **Delivery of MBS**

The MBS shall be registered in the name of the Trustee or its designee. The obligation of the Trustee to purchase the MBS on the MBS Delivery Date shall be subject to receipt by the Trustee of written notification from the Lender upon which the Trustee may rely and act without further investigation certifying that the MBS duly executed by Fannie Mae is available for purchase by the Trustee at the MBS Purchase Price, and the Trustee shall confirm that such MBS meets the following requirements:

- (a) the MBS shall bear interest at the Pass-Through Rate payable on the 25th day of each month, commencing on the 25th day of the month following the month in which the Trustee purchases the MBS, or if any such 25th day is not a Business Day, the next succeeding Business Day, and have a final maturity date that is the same as the Bond Maturity Date; and
- (b) the MBS shall be acquired by the Trustee on behalf of the Issuer, shall be held at all times by the Trustee in trust for the benefit of the Bondholders and shall be held only in book-entry form through the United States Federal Reserve Bank book-entry system, pursuant to which the MBS shall have been registered on the records of the Federal Reserve Bank in the name of the Trustee.

The MBS shall be registered in the name of the Trustee or its designee. Upon purchase of the MBS on the MBS Delivery Date, the Trustee shall post a notification to this effect on the Electronic Municipal Market Access website of the Municipal Securities Rulemaking Board.

### **Pledge of Trust Estate**

The pledge and assignment of and the security interest granted in the Trust Estate pursuant to the granting clauses of the Indenture for the payment of the principal of, premium, if any, and interest on the Bonds, in accordance with their terms and provisions, and for the payment of all other amounts due under the Indenture, shall attach, be perfected and be valid and binding from and after the time of the delivery of the Bonds by the Trustee or by any person authorized by the Trustee to deliver the Bonds. The Trust Estate so pledged and then or thereafter received by the

Trustee shall immediately be subject to the lien of such pledge and security interest without any physical delivery thereof or further act, and the lien of such pledge and security interest shall be valid and binding and prior to the claims of any and all parties having claims of any kind in tort, contract or otherwise against the Issuer irrespective of whether such parties have notice thereof.

### **Establishment of Funds**

The Trustee shall establish, maintain and hold in trust the following funds, each of which shall be maintained by the Trustee as a separate and distinct fund or account, and each of which shall be disbursed and applied only as authorized in the Indenture:

- (a) Revenue Fund, including therein a Negative Arbitrage Account;
- (b) Costs of Issuance Fund;
- (c) Bond Proceeds Fund;
- (d) Rehabilitation Fund;
- (e) Surplus Fund; and
- (f) Rebate Fund.

The Trustee shall, at the written direction of an Authorized Borrower Representative and may, in its discretion, establish such additional accounts within any fund, and subaccounts within any of the accounts, as the Issuer or the Trustee may deem necessary or useful for the purpose of identifying more precisely the sources of payments into and disbursements from that fund and its accounts, or for the purpose of complying with the requirements of the Code, but the establishment of any such account or subaccount shall not alter or modify any of the requirements of the Indenture with respect to a deposit or use of money in the respective Funds, or result in commingling of funds not permitted thereunder.

### **Application of Funds on MBS Delivery Date**

On the MBS Delivery Date, the Trustee shall remit to the Lender, from amounts on deposit in the Bond Proceeds Fund, as payment for the MBS, an amount equal to the aggregate principal amount of the MBS, plus, from the Revenue Fund (and, to the extent amounts in the Revenue Fund, other than amounts in the Negative Arbitrage Account therein, are insufficient for such purposes, from the Negative Arbitrage Account therein), accrued and unpaid interest on the MBS at the Pass-Through Rate from the first of the month in which the MBS was delivered to, but not including, the MBS Delivery Date.

### **Revenue Fund**

(a) On any Payment Date that occurs prior to or during the month in which the MBS is delivered to the Trustee, the Trustee shall disburse from the Revenue Fund (and, to the extent amounts in the Revenue Fund, other than amounts in the Negative Arbitrage Account therein, are insufficient for such purposes, from the Negative Arbitrage Account therein), an amount equal to the amount of interest due on the Bonds pursuant to the Mortgage Loan Amortization Schedule.

(b) There shall be deposited into the Negative Arbitrage Account of the Revenue Fund as and when received, (i) the Negative Arbitrage Deposit and (ii) any Extension Deposit.

(c) There shall be deposited into the Revenue Fund, as and when received, (i) all moneys received by the Trustee representing principal payments or repayments, and premium, if any, under the MBS, together with all other amounts required pursuant to the Indenture to be deposited therein, (ii) accrued interest on the Bonds from the Bond Dated Date to the Closing Date, (iii) any other amounts specified in the Indenture, and (iv) all moneys received

by the Trustee representing interest payments under the MBS, to be held therein pending distribution in accordance with the terms of the Indenture.

(d) On the MBS Delivery Date, the Trustee shall remit from the Revenue Fund (and, to the extent amounts in the Revenue Fund, other than amounts in the Negative Arbitrage Account therein, are insufficient for such purposes, from the Negative Arbitrage Account therein) to the Lender accrued and unpaid interest on the MBS at the Pass-Through Rate from and including the first calendar day of the month in which the MBS was delivered to, but not including, the MBS Delivery Date.

(e) On the first Business Day following the Payment Date in the first full month following the MBS Delivery Date, the Trustee shall transfer to the Rehabilitation Fund any Bond proceeds then on deposit in the Negative Arbitrage Account of the Revenue Fund. Upon such disposition, the Trustee shall immediately close the Negative Arbitrage Account.

(f) On the first Business Day following receipt of any MBS Revenues and the deposit thereof into the Revenue Fund pursuant to subsection (c) above, the Trustee shall pay to the Bond owners all amounts so received from money on deposit in the Revenue Fund. All payments of principal and interest shall be paid to Bond owners in proportion to the principal amount of Bonds owned by each Bond owner as set forth on the records of the Trustee at the close of business on the applicable Record Date.

(g) If the Trustee does not receive a scheduled payment on the MBS by 5:00 p.m. Eastern Time on the 25th day of any month (or the next succeeding Business Day if such day of the month is not a Business Day), the Trustee shall immediately notify Fannie Mae and immediately demand payment under the terms of the guaranty thereof.

#### **Costs of Issuance Fund**

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

#### **Bond Proceeds Fund**

Amounts deposited into the Bond Proceeds Fund shall be used by the Trustee (i) on any Payment Date that occurs prior to or during the month in which the MBS is delivered to the Trustee, to fund the Bond redemptions as set forth under the heading “Mandatory Redemption of Bonds – Mandatory Redemption Prior to MBS Delivery Date,” above, and (ii) to pay the principal portion of the MBS Purchase Price on the MBS Delivery Date as set forth under the heading “Application of Funds on MBS Delivery Date,” above. All investment earnings from amounts on deposit in the Bond Proceeds Fund shall be transferred to the Revenue Fund.

#### **Rehabilitation Fund**

The Trustee shall establish, create and maintain a Rehabilitation Fund under the Indenture and moneys shall be held in the Rehabilitation Fund for reasons of convenience and tax accounting only. On the Closing Date, the Lender will deliver funds to the Trustee for deposit into the Rehabilitation Fund. The Rehabilitation Fund shall not be a part of the Trust Estate. Amounts on deposit in the Rehabilitation Fund shall be disbursed by the Trustee to fund the Project Costs pursuant to requisitions executed by the Borrower and approved by the Lender in the form attached to the Indenture as an exhibit. The moneys in the Rehabilitation Fund shall, pending disbursement to the Borrower at the written direction of the Lender, pursuant to the terms of the Multifamily Loan and Security Agreement, be pledged by the Borrower to the Lender until the MBS Delivery Date, and thereafter to Fannie Mae. The Trustee shall hold such funds as custodian for Lender as the pledgee and not for the Bondholders.

## **Surplus Fund**

The Issuer shall cause to be deposited with the Trustee in the Surplus Fund, amounts required from the Indenture. Amounts on deposit in the Surplus Account after deposit therein shall be transferred to the Borrower, or at the direction of the Borrower, free and clear of the lien of the Indenture.

## **Investment of Funds**

The moneys held by the Trustee shall constitute trust funds for the purposes of the Indenture. Any moneys attributable to each of the Funds and Accounts under the Indenture shall be invested by the Trustee at the written direction or telephonic direction (promptly confirmed in writing) of the Borrower in Eligible Investments which mature or are redeemable at par, without penalty, on or before the date on which such funds are expected to be needed for the purposes for which they are held. Notwithstanding anything in the Indenture to the contrary except as otherwise set forth in this sentence, (i) prior to the MBS Delivery Date, all amounts in the Bond Proceeds Fund and the Revenue Fund shall be invested solely in Eligible Investments, and (ii) following the MBS Delivery Date, payments received with respect to the MBS shall be uninvested. All investment earnings from amounts on deposit in the Bond Proceeds Fund and the Revenue Fund shall be credited to the Revenue Fund. If the Trustee does not receive written direction or telephonic direction (promptly confirmed in writing) from the Borrower regarding the investment of funds, the Trustee shall invest solely in Eligible Investments described in clause (b) of the definition of Eligible Investments, which shall mature or be redeemable at par without penalty at the times set forth in this section. The Trustee may make any and all such investments through its own banking department or the banking department of any affiliate. Upon written notice from the Borrower, the Trustee shall invest the funds in the Rehabilitation Fund in Eligible Investments.

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

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

The Trustee shall not be liable or responsible for any loss resulting from any investment made in accordance with the Indenture. The Trustee or its affiliates may act as sponsor, principal or agent in the acquisition or disposition of investments. The Trustee may commingle investments made under the Funds and Accounts established under the Indenture but shall account for each separately.

In computing for any purpose under the Indenture the amount in any Fund or Account on any date, obligations so purchased shall be valued at the lower of cost or par exclusive of accrued interest, and may be so valued as of any time within four (4) days prior to such date.

The Issuer acknowledges that regulations of the Comptroller of the Currency grant the Borrower the right to receive brokerage confirmations of the security transactions as they occur. The Borrower specifically waives such notification to the extent permitted by law and will receive periodic cash transaction statements that will detail all investment transactions.

## **Particular Covenants**

Payment of Bonds. Subject to the other provisions of the Indenture, the Issuer shall duly and punctually pay or cause to be paid, solely, from amounts available in the Trust Estate the principal of, premium, if any, and interest

on the Bonds, at the dates and places and in the manner described in the Bonds, according to the true intent and meaning thereof. The Bonds are not a general obligation of the Issuer, but are payable solely from the Trust Estate.

The payment and other obligations of the Issuer with respect to the Bonds are intended to be, and shall be, independent of the payment and other obligations of the issuer or maker of the Mortgage Note and the MBS, even though the principal amount of both instruments is expected to be identical, except in the case of a default with respect to one or more of the instruments.

Tax Covenants. The Issuer shall not take any action that will cause the interest paid on the Bonds to be includable in gross income for federal income tax purposes or to be subject to personal income taxation by the State. In furtherance of the foregoing covenant, the Issuer particularly covenants and agrees with the Bondholders as follows:

(a) No part of the proceeds of the Bonds or any other funds of the Issuer shall be used by the Issuer at any time directly or indirectly to acquire securities or obligations, the acquisition of which, or which in any other manner, would cause any Bond to be an arbitrage bond as defined in Section 148 of the Code and any applicable regulations promulgated thereunder.

(b) The Issuer will not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code and any applicable regulations promulgated thereunder.

In the event of a conflict between the provisions under this heading “Tax Covenants” and the Tax Certificate, the provisions of the Tax Certificate shall control.

Extension of Payment of Bonds. The Issuer shall not directly or indirectly extend or assent to the extension of the maturity of the principal due on any of the Bonds or the time of payment of interest due on the Bonds, and if the time for payment of any such claims for interest shall be extended through any other means, such Bonds or claims for interest shall not be entitled in case of any default under the Indenture to any payment out of the Trust Estate or the funds (except funds held in trust for the payment of particular Bonds pursuant to the Indenture) held by the Trustee, except subject to the provisions of the Indenture and subject to the prior payment of the principal of all Bonds issued and Outstanding the maturity of which has occurred and has not been extended and of such portion of the accrued interest on the Bonds which is not represented by such extended claims for interest.

If an Extension Deposit has not been made pursuant to the Indenture, such that the aggregate balance in the Bond Proceeds Fund and the Revenue Fund is equal to 100% of the principal amount of the Bonds plus interest accrued on the Bonds to the date which is five (5) calendar days following the MBS Delivery Date Deadline (as such date may be extended under the Indenture), then the Bonds shall be subject to mandatory redemption as set forth in the Indenture.

## **Discharge of Indenture**

### Defeasance.

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

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

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



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

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

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

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

(ii) the maturity of such Bond.

(c) The Trustee shall be entitled to receive a report from a nationally recognized accounting firm or other nationally recognized verification agent to provide for the payment of all Bonds to be defeased pursuant to this section.

(d) In addition to the circumstances described in paragraph (a) above, any Bond or portion thereof in an Authorized Denomination shall be deemed no longer Outstanding under the Indenture if and to the extent of an exchange of such Bond or portion thereof for the MBS or an interest therein as provided in the Indenture.

## **Defaults and Remedies**

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

(a) On and after the MBS Delivery Date, failure by Fannie Mae to pay principal, interest or premium, if any, due under the MBS (upon such failure, the Trustee shall notify Fannie Mae not later than the next Business Day (all such notices to be promptly confirmed in writing) and require the failure to be remedied);

(b) Failure to pay the principal, interest or premium, if any, on the Bonds when the same shall become due; or

(c) Default in the observance or performance of any other covenant, agreement or condition on the part of the Issuer in the Indenture and the continuation of such default for a period of 90 days after written notice to the Issuer from the Trustee or the registered owners of not less than 75% in aggregate principal amount of the Bonds Outstanding at such time specifying such default and requiring the same to be remedied.

The Trustee will immediately notify in writing the Issuer, the Bondholders, the Lender, the Investor Limited Partner and Fannie Mae after an Authorized Officer of the Trustee obtains knowledge or receives notice of the

occurrence of an Event of Default or an event which would become an Event of Default with the passage of time or the giving of notice, or both.

Acceleration; Rescission of Acceleration.

(a) Upon (i) the occurrence of an Event of Default under item (a) under the heading “Defaults and Remedies – Events of Default,” above, or (ii) prior to the MBS Delivery Date, the occurrence of an Event of Default under item (b) under the heading “Defaults and Remedies – Events of Default,” above, the Trustee may, and upon the written request of the holders of not less than seventy-five percent (75%) in aggregate principal amount of the Bonds Outstanding, shall declare (and shall deliver written notice of such declaration to the Issuer, the Lender, the Borrower and Fannie Mae) the principal of all Bonds Outstanding, premium, if any, and the interest accrued thereon immediately due and payable.

(b) An Event of Default (i) following the MBS Delivery Date, under item (b) under the heading “Defaults and Remedies – Events of Default,” above, or (ii) under item (c) under the heading “Defaults and Remedies – Events of Default,” above, shall not give rise to an acceleration pursuant to subpart (a) under this heading “Acceleration; Rescission of Acceleration,” provided, however, that following such an Event of Default, the holder of one hundred percent (100%) of the Bonds Outstanding may direct the Trustee in writing to transfer the MBS to it or its designee, in which case, the Trustee shall transfer and deliver to such requesting Beneficial Owner the Trustee’s beneficial ownership interest in the MBS. The transfer described in this paragraph shall take effect as set forth in, and shall be governed by, the following terms:

(i) The Trustee shall transfer and deliver to such requesting owner the Trustee’s beneficial ownership interest in the MBS promptly following (i) delivery to the Trustee (via DTC withdrawal or of the Bonds being exchanged, and (ii) payment by the requesting owner of the Trustee’s exchange fee (\$1,000) with respect to such Bonds;

(ii) The MBS will be in book-entry form;

(iii) Transfers of the MBS will be made in accordance with current market practices, including the applicable provisions of the SIFMA’s *Uniform Practices for the Clearance and Settlement of Mortgage-Backed Securities and Other Related Securities*;

(iv) Upon receipt of such Bonds from the requesting Beneficial Owner, the Trustee will promptly cancel the Bonds being exchanged, which will not be reissued;

(v) An MBS delivered in such an exchange will not be exchangeable for Bonds;

(vi) The MBS delivered in such an exchange will also be subject to any applicable disclosure requirements concerning MBSs that have been issued in connection with the multifamily mortgage lending program of a governmental housing finance agency and financed by tax-exempt obligations; and

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

(c) The acceleration of the Bonds will not constitute a default under, or by itself cause the acceleration of, the MBS. If at any time after the Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the money due shall have been obtained or entered, the Issuer, the Borrower, the Investor Limited Partner or Fannie Mae, as applicable, shall pay to or deposit with the Trustee a sum sufficient to pay all principal of the Bonds then due (other than solely by reason of such declaration) and all unpaid installments of interest (if any) on all the Bonds then due with interest at the rate borne by the Bonds on such overdue principal and (to the extent legally enforceable) on such overdue installments of interest, and the reasonable expenses of the Trustee shall have been made good or cured or adequate provisions shall have been made therefor, and all other defaults under the Indenture have been made good or cured or waived in writing by the holders of a majority in principal amount of the

Bonds Outstanding, then and in every case, the Trustee on behalf of the holders of all the Bonds shall rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent Event of Default, nor shall it impair or exhaust any right or power consequent thereon.

Other Remedies; Rights of Bondholders. Subject to the Indenture, upon the happening and continuance of an Event of Default, the Trustee in its own name and as trustee of an express trust, on behalf and for the benefit and protection of the holders of all Bonds, may also proceed to protect and enforce any rights of the Trustee and, to the full extent that the holders of such Bonds themselves might do, the rights of such Bondholders under the laws of the State or under the Indenture by such of the following remedies as the Trustee shall deem most effectual to protect and enforce such rights:

(a) By pursuing any available remedies under the Financing Agreement, the Regulatory Agreement or the MBS;

(b) (i) Prior to the MBS Delivery Date, upon an Event of Default under paragraph (b) under the heading “Events of Defaults” above, or (ii) after the MBS Delivery Date, upon an Event of Default under paragraph (a) under the heading “Events of Default” above only, by realizing or causing to be realized through sale or otherwise upon the security pledged under the Indenture (including the sale or disposition of the MBS); and

(c) By action or suit in equity, to enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders and to execute any other papers and documents and do and perform any and all such acts and things as may be necessary or advisable in the opinion of the Trustee in order to have the respective claims of the Bondholders against the Issuer allowed in any bankruptcy or other proceeding.

If an Event of Default shall have occurred, and if requested by the holders of not less than 75% (or 100% as set forth in paragraph (b) under “Acceleration; Rescission of Acceleration” above) in aggregate principal amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction, the Trustee shall be obligated to exercise one or more of the rights and powers conferred by the Indenture as the Trustee, being advised by counsel, shall deem to be in the best interests of the Bondholders subject to the limitations set forth above and in the Indenture.

No right or remedy by the terms of the Indenture conferred upon or reserved to the Trustee (or to the Bondholders) is intended to be exclusive of any other right or remedy, but each and every such right and remedy shall be cumulative and shall be in addition to any other right or remedy given to the Trustee or to the Bondholders under the Indenture, the Financing Agreement, the Regulatory Agreement or the MBS or now or hereafter existing at law or in equity.

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

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

Waivers of Events of Default. The Trustee shall waive any Event of Default under the Indenture and its consequences and rescind any declaration of maturity of principal of, premium, if any, and interest on the Bonds upon the written request of the holders of a majority in aggregate principal amount of all Bonds then Outstanding with respect to which there is an Event of Default; provided, however, that there shall not be waived (a) any default in the payment of the principal amount of any Bonds at the date of maturity specified therein or upon proceedings for mandatory redemption, or (b) any default in the payment when due of the interest or premium, if any, on any such Bonds, unless prior to such waiver or rescission all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds in respect of which such Event of Default shall have occurred on overdue installments of

interest or all arrears of payments of principal or premium, if any, when due (whether at the stated maturity thereof or upon proceedings for mandatory redemption) as the case may be, and all expenses of the Trustee in connection with such monetary default, shall have been paid or provided for, and in case of any such waiver or rescission, the Issuer, the Borrower, the Trustee and the Bondholders shall be restored to their former positions and rights under the Indenture respectively.

No such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereto; and no delay or omission of the Trustee or of any Bondholders to exercise any right or power accruing upon any Event of Default shall impair any right or power or shall be construed to be a waiver of any such Event of Default, or acquiescence therein.

Termination of Proceedings. In case any proceeding taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason or determined adversely to the Trustee, then in every such case the Issuer, the Borrower, the Trustee and the Bondholders shall be restored to their former positions and rights under the Indenture, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no such proceeding had been taken.

### **Supplemental Indentures**

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

- (a) To add to the covenants or agreements of the Issuer contained in the Indenture other covenants or agreements to be observed by the Issuer or to otherwise revise or amend the Indenture in a manner which are/is not materially adverse to the interests of the Bondholders;
- (b) To add to the limitations or restrictions contained in the Indenture other limitations or restrictions to be observed by the Issuer which are not contrary to or inconsistent with the provisions of the Indenture as theretofore in effect;
- (c) To surrender any right, power or privilege reserved to or conferred upon the Issuer in the Indenture, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Issuer contained in the Indenture and is not materially adverse to the interests of the Bondholders;
- (d) To confirm, as further assurance, any pledge of the Trust Estate under the Indenture and the subjection to any lien on or pledge of the Trust Estate created or to be created by the Indenture;
- (e) To appoint a co-trustee or successor Trustee or successor co-trustee;
- (f) To cure any ambiguity, supply any omission or cure or correct any defect or inconsistent provision in the Indenture;
- (g) To insert such provisions clarifying matters or questions arising under the Indenture as are necessary or desirable and are not materially adverse to the interests of the Bondholders; and
- (h) To make such changes and modifications that are necessary or desirable to provide for all interest, principal and premium, if any, paid with respect to the Bonds are in the exact respective amounts of the payments of interest, principal and premium, if any, paid under and pursuant to the MBS.

Supplemental Indentures Requiring Consent of Bondholders. In addition to those amendments to the Indenture which are authorized under the heading "Supplemental Indentures Effective Upon Acceptance" above, any modification or amendment of the Indenture may be made by a Supplemental Indenture with the written consent,

given as hereinafter provided under the heading “Consent of Bondholders” below, of Fannie Mae and the holders of at least two thirds in aggregate principal amount of the Bonds Outstanding at the time such consent is given; provided, however, that no such modification or amendment shall (a) permit a change in the terms of redemption or maturity of the principal amount of any Outstanding Bond or an extension of the date for payment of any installment of interest thereon or a reduction in the principal amount of, premium, if any, or the rate of interest on any Outstanding Bond without the consent of the holder of such Bond, (b) reduce the proportion of Bonds the consent of the holders of which is required to effect any such modification or amendment or to effectuate an acceleration of the Bonds prior to maturity, (c) permit the creation of a lien on the Trust Estate pledged under the Indenture prior to or on a parity with the lien of the Indenture, (d) deprive the holders of the Bonds of the lien created by the Indenture upon the Trust Estate (except as expressly provided in the Indenture), without (with respect to (b) through (d)) the consent of the holders of all Bonds then Outstanding, or (e) change or modify any of the rights or obligations of the Trustee without the written consent thereto of the Trustee.

Consent of Bondholders. The Issuer and the Trustee may, at any time, execute and deliver a Supplemental Indenture making a modification or amendment permitted by the provisions under the heading “Supplemental Indentures Requiring Consent of Bondholders” above, to take effect when and as provided in this section. A copy of such Supplemental Indenture (or brief summary thereof or reference thereto in a form approved by the Trustee), together with a request to Bondholders for their consent thereto in form satisfactory to the Trustee, shall be mailed by the Trustee to the Bondholders. Such Supplemental Indenture shall not be effective unless there shall have been filed with the Trustee (a) the written consents of Fannie Mae and the holders of the proportion of Outstanding Bonds specified under the heading “Supplemental Indentures Requiring Consent of Bondholders” above, and (b) an opinion of Bond Counsel stating that such Supplemental Indenture has been duly and lawfully entered into by the Issuer in accordance with the provisions of the Indenture, is authorized or permitted by the provisions of the Indenture, and, when effective, will be valid and binding upon the Issuer. Each such consent of the Bondholders shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by the Indenture. A certificate or certificates by the Trustee that it has examined such proof and that such proof is sufficient under the provisions of the Indenture shall be conclusive that the consents have been given by the holders of the Bonds described in such certificate or certificates. Any such consent shall be binding upon the holder of the Bonds giving such consent and upon any subsequent holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent holder thereof has notice thereof). At any time after the holders of the required proportion of Bonds shall have filed their consents to such Supplemental Indenture, the Trustee shall make and file with the Issuer a written statement that the holders of such required proportion of Bonds have filed and given such consents. Such written statement shall be conclusive that such consents have been so filed and have been given. Within 90 days after filing such statement, the Trustee shall mail to the Bondholders a notice stating in substance that such Supplemental Indenture (which may be referred to as a Supplemental Indenture executed by the Issuer on a stated date, a copy of which is on file with the Trustee) has been consented to by the holders of the required proportion of Bonds and will be effective as provided in this section, but failure to mail such notice shall not prevent such Supplemental Indenture from becoming effective and binding as provided in this section. The Trustee shall file with the Issuer proof of the mailing of such notice to the Bondholders. A record, consisting of the papers required or permitted by this section to be filed with the Trustee, shall be proof of the matters therein stated. Such Supplemental Indenture making such modification or amendment shall be deemed conclusively binding upon the Issuer, the Trustee and the holders of all Bonds upon the execution thereof and the filing by the Trustee with the Issuer of the statement that the required proportion of Bondholders have consented thereto.

The Issuer may conclusively rely upon the Trustee’s determination that the requirements of this section have been satisfied.

Modification By Unanimous Consent. Notwithstanding anything contained in the foregoing provisions of the Indenture, the terms and provisions of the Indenture and the rights and obligations of the Issuer and the Bondholders under the Indenture, in any particular, may be modified or amended in any respect upon execution and delivery of a Supplemental Indenture by the Issuer and the Trustee making such modification or amendment and the consent to such Supplemental Indenture of Fannie Mae and the holders of all of the Bonds then Outstanding, such consent to be given and proved as provided under the heading “Consent of Bondholders” above except that no notice to Bondholders shall be required; provided, however, that no such modification or amendment shall change or modify

any of the rights or obligations of the Trustee without the written assent thereto of the Trustee, in addition to the consent of the Bondholders.

### **Concerning the Trustee**

Acceptance of Trusts. U.S. Bank Trust Company, National Association, a national banking association is appointed by the Indenture as Trustee. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by the Indenture by executing the Indenture, and agrees to perform said trusts, but only upon and subject to the Indenture's express terms and conditions and no implied covenants or conditions shall be read into the Indenture against the Trustee.

Fees, Charges and Expenses of Trustee. Notwithstanding any provision to the contrary in the Indenture, but subject to the limitations set forth in the definition of Ordinary Trustee Fees and Expenses as defined in the Indenture, the Trustee shall be entitled to payment for reasonable fees for its services rendered under the Indenture and the Financing Agreement and reimbursement for all advances, counsel fees and other expenses reasonably made or incurred by the Trustee (including any co-Trustee) in connection with such services which shall be paid from time to time as provided in the Financing Agreement; provided that no such amounts shall be paid to the Trustee from the proceeds of the MBS. Prior to the MBS Delivery Date, upon an Event of Default under paragraph (b) under the heading "Events of Default" above, or after the MBS Delivery Date, upon an Event of Default under paragraph (a) under the heading "Events of Default" above as a result of a failure by Fannie Mae to make payment under the MBS, but only upon such an Event of Default, the Trustee shall have a lien upon the Trust Estate for Ordinary Trustee Fees and Expenses and Extraordinary Trustee Fees and Expenses. The Issuer shall require the Borrower to indemnify and save harmless the Trustee against any liabilities which the Trustee may incur in the exercise and performance of its powers and duties under the Indenture, the Financing Agreement and the Regulatory Agreement which are not due to its own negligence or willful misconduct, and to reimburse the Trustee for any fees and expenses of the Trustee to the extent they exceed funds available under the Indenture for the payment thereof, subject only to the right of the Borrower to contest the reasonableness of any such fees or the necessity for any such expenses. The Trustee shall continue to perform its duties and obligations under the Indenture until such time as its resignation or removal is effective pursuant to the Indenture.

Merger or Consolidation of Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, ipso facto shall be and become successor Trustee under the Indenture and vested with all of the title to the Trust Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties to the Indenture, anything in the Indenture to the contrary notwithstanding.

Resignation by Trustee. The Trustee and any successor Trustee may at any time resign from the trusts created by the Indenture by giving 30 calendar days' written notice to the Issuer and Fannie Mae, and such resignation shall only take effect upon the appointment, pursuant to the Indenture, of, and acceptance by, a successor Trustee. The successor Trustee shall give notice of such succession by first class mail, postage prepaid, to each Bondholder at the address of such Bondholder shown on the Bond Register.

Removal of Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Trustee and to Fannie Mae, and signed by the Issuer (or if an Event of Default shall have occurred and be continuing, by the owners of a majority in aggregate principal amount of the Bonds then Outstanding, in which event such instrument or instruments in writing shall also be delivered to the Issuer) provided that such removal shall not take effect until the appointment of a successor Trustee by the Issuer (or by the Bondholders).

Appointment of Successor Trustee. In case at any time the Trustee or any successor thereto shall resign or shall be removed or shall become incapable of acting, or shall be adjudged as bankrupt or insolvent, or if a receiver, liquidator or conservator of such Trustee or of its property shall be appointed, or if any public officer shall take charge or control of such Trustee or of its property or affairs, a successor may be appointed by the Issuer with the approval of Fannie Mae (if it is not in default in its obligations under the MBS), or if Fannie Mae does not approve a successor the Issuer proposes to appoint, or if the Issuer is in default under the Indenture, by the holders of a majority in aggregate

principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the Issuer, by an instrument or concurrent instruments in writing signed by such Bondholders, or their attorneys duly authorized in writing, and delivered to such successor Trustee, notification thereof being given to the Issuer, Fannie Mae, the Borrower, the Investor Limited Partner and the predecessor Trustee. If in a proper case no appointment of a successor Trustee shall have been made pursuant to the foregoing provisions of this section within 45 days after the Trustee shall have given to the Issuer written notice as provided in the Indenture or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. The court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Any Trustee appointed under the provisions of this section shall be a bank, trust company or national banking association, having a designated office within the State, having trust powers, with prior experience as trustee under indentures under which multifamily housing revenue bonds of public agencies or authorities are issued, and having a capital and surplus acceptable to the Issuer, the Lender and Fannie Mae, willing and able to accept the office on reasonable and customary terms in light of the circumstances under which the appointment is tendered and authorized by law to perform all the duties imposed upon it by the Indenture, if there be such an institution meeting such qualifications willing to accept such appointment.

Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under the Indenture shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Issuer and Fannie Mae, and any Bondholder which shall request the same, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if named in the Indenture as such Trustee, but the Trustee ceasing to act shall nevertheless, on the written request of the Issuer, Fannie Mae or the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as reasonably may be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any properties held by it under the Indenture, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions set forth in the Indenture. Should any deed, conveyance or instrument in writing from the Issuer be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such moneys, estates, properties, rights, powers and duties, any and all such deeds, conveyances and instruments in writing, on request, and so far as may be authorized by law, shall be executed, acknowledged and delivered by the Issuer.

Collection of MBS Payments. The Trustee shall cause the MBS to be registered in the name of the Trustee or in the name of the nominee of the Trustee with such additional recitals as appropriate to indicate that the MBS is to be held by the Trustee in its capacity as Trustee under the Indenture subject to the provisions of the Indenture. In the event that any amount payable to the Trustee under the MBS is not received by the Trustee within one Business Day of the date such payment is due, the Trustee shall notify Fannie Mae or (if directed by Fannie Mae) the paying agent for the MBS by telephone (such notification to be immediately confirmed by Electronic Means) that such payment has not been received in a timely manner and request that such payment be made by wire transfer of immediately available funds to the account of the Trustee or such custodian, as the case may be.

### **Miscellaneous Provisions**

No Recourse on Bonds. All covenants, stipulations, promises, agreements and obligations of the Issuer contained in the Indenture shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Issuer and not of any of its officers or employees or members of its governing body, past, present or future, in his or her individual capacity, and no recourse shall be had for the payment of the principal of, premium, if any, or Redemption Price or purchase price of or interest on the Bonds or for any claim based thereon or under the Indenture or any other Issuer Document or the Financing Documents against any such member, officer, employee or agent of the Issuer, past, present or future or any natural person executing the Bonds.

**EXHIBIT A TO APPENDIX C**

**FORM OF NOTICE OF REQUEST TO EXCHANGE**

\$24,180,000

Dutchess County Local Development Corporation  
Multifamily Tax-Exempt Mortgage-backed Bonds  
(M-TEBS) (SOCIAL<sup>†</sup>) Series 2023  
(Tompkins Terrace Housing, L.P. Project)

The undersigned Beneficial Owner of \$24,180,000 Dutchess County Local Development Corporation Multifamily Tax-Exempt Mortgage-backed Bonds (M-TEBS) (SOCIAL<sup>†</sup>) Series 2023 (Tompkins Terrace Housing, L.P. Project) (the “Bonds”), hereby requests U.S. Bank Trust Company, National Association (the “Trustee”) to exchange Bonds in an original face amount and current principal amount equal to \$24,180,000 and \$[\_\_\_\_\_], respectively, for a like original face amount and current principal amount of the MBS. The Bonds were issued pursuant to an Indenture of Trust dated as of September 1, 2023 (the “Indenture”), by and between Dutchess County Local Development Corporation (the “Issuer”) and the Trustee. The undersigned has arranged with its securities dealer (and/or DTC participant) to deliver such Bonds to the Trustee (via DTC withdrawal or Deposit/Withdrawal At Custodian (“DWAC”)) on or before the business day next succeeding the date hereof (such business day being the “Exchange Date”). Once the Issuer has validated the exchange requested hereby and the DTC DWAC has been verified and approved by the Trustee, the Trustee is hereby requested to deliver free the above-referenced original face and current principal amount of the MBS using the automated book-entry system maintained by the Federal Reserve Banks acting as depositories for the issuer of the MBS in accordance with the Beneficial Owner’s Fed delivery instructions. Such MBS will be (1) in book-entry form and (2) transferred in accordance with current market practices, including the applicable provisions of SIFMA’s Uniform Practices for the Clearance and Settlement of Mortgage-Backed Securities and Other Related Securities. The undersigned Beneficial Owner shall pay the Trustee’s exchange fee in the amount of \$1,000 by wire transfer on the Exchange Date. If the Exchange Date is subsequent to a Record Date and prior to a corresponding Payment Date for the Bonds, the Trustee shall wire the applicable principal and interest payments on the Bonds to the undersigned Beneficial Owner using the wire instructions set forth below. The undersigned acknowledges that the submission of this notice of request (the “Notice”) is subject to all of the terms and conditions of the Indenture.

Capitalized terms used in this Notice but not defined herein shall have the meanings assigned such terms in the Indenture.

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

Signature: \_\_\_\_\_

SIGNATURE GUARANTEED:

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

Beneficial Owner's Fed delivery instructions:

Beneficial Owner's wire instructions: [ \_\_\_\_\_ ]

Trustee's wire instructions: [ \_\_\_\_\_ ]

<sup>†</sup> The Bonds are captioned as “Social” based on the Borrower’s expectation of the Project meeting the Social criteria for MBS under the Fannie Mae Sustainable Framework and not any social standard established by the Issuer. See “APPENDIX J—FANNIE MAE SUSTAINABLE FRAMEWORK” herein. The Issuer has not determined that the Bonds themselves qualify for designation as Social and has not made an independent determination as to whether the Project qualifies as Social.



**APPENDIX D**  
**SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AGREEMENT**

*The following is a summary of certain provisions of the Financing Agreement which are not described elsewhere in the Official Statement. This summary does not purport to be comprehensive, and reference should be made to the Financing Agreement for a full and complete statement of its provisions.*

**Definitions**

Capitalized terms used but not defined herein shall have the meaning given them in the Indenture and the Financing Agreement.

**General Terms of the Financing**

The Issuer has authorized the issuance of the Bonds in the aggregate principal amount set forth in the Financing Agreement and Bonds in such amount shall be issued and Outstanding as of the Closing Date. The obligations of the Issuer, the Trustee and the Borrower under the Financing Agreement are expressly conditioned upon (i) the sale, issuance and delivery of the Bonds, (ii) receipt by the Trustee of the amounts set forth in the Indenture, and (iii) the making of the Mortgage Loan by the Lender. Neither the Issuer, the Lender, the Trustee nor Fannie Mae shall have any liability for any fees, costs or expenses, including, without limitation, issuance costs relating to the Bonds; all of such fees, costs and expenses shall be paid by the Borrower.

**Sources, Deposits and Uses**

Upon the issuance and delivery of the Bonds, the Lender will make the Mortgage Loan to the Borrower. To the extent proceeds of the Mortgage Loan remain after disbursements made on the Closing Date, the Lender will deliver funds to the Trustee for deposit into the Rehabilitation Fund to be applied by the Borrower to pay Project Costs pursuant the Indenture. The Trustee shall apply the proceeds of the Bonds as provided in the Indenture to secure the Bonds until the MBS Delivery Date and then to purchase the MBS. The Borrower accepts the Mortgage Loan from the Lender, upon the terms and conditions set forth in the Financing Agreement, in the Mortgage Loan Documents and in the Indenture, and subject to the terms and conditions of the Regulatory Agreement. The Issuer has caused the proceeds of the Bonds to be provided to the Trustee for deposit to the Bond Proceeds Fund. The Borrower acknowledges its obligation to pay all amounts necessary to pay principal of, premium, if any, and interest on the Bonds as provided in the Indenture. The Borrower has made arrangements for the delivery to the Trustee of the MBS and of certain other Eligible Funds as contemplated in the Financing Agreement and in the Indenture. Payments on the MBS received by the Trustee shall be credited to amounts due from the Borrower for payment of principal of, premium, if any, and interest on the Bonds.

**Notification of Prepayment of Mortgage Note**

The Lender shall notify the Trustee promptly of the receipt of any prepayment of the Mortgage Note, whether upon acceleration, by reason of application of insurance or condemnation proceeds, optional prepayment or otherwise. If such prepayment results in revisions to the Mortgage Loan Amortization Schedule, the Lender shall provide the revised Mortgage Loan Amortization Schedule to the Trustee.

**Events of Default**

Each of the following shall constitute an event of default under the Financing Agreement, and the term “Event of Default” shall mean, whenever used in the Financing Agreement, any one or more of the following events (after taking into account any applicable notice and cure period):

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

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

(iii) Breach of any of the covenants, agreements or obligations of the Borrower under or the occurrence of a default which is continuing under the Regulatory Agreement, including any exhibits to any of the foregoing; or

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

Nothing contained in this section is intended to amend or modify any of the provisions of the Mortgage Loan Documents or to bind the Borrower, the Lender or Fannie Mae to any notice and cure periods other than as expressly set forth in the Mortgage Loan Documents.

#### **Remedies Upon an Event of Default**

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

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

(ii) Take whatever other action at law or in equity may appear necessary or desirable to enforce any monetary obligation of the Borrower under the Financing Agreement or to enforce any other covenant, obligation or agreement of the Borrower under (1) the Financing Agreement or (2) the Regulatory Agreement.

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

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

(c) Subject to the limitations of the Regulatory Agreement and the Financing Agreement, the Issuer, without the consent of the Trustee, but only after written notice to the Trustee, the Borrower, the Lender, the Investor Limited Partner and Fannie Mae, may take whatever action at law or in equity may appear necessary or desirable to enforce performance and observance of any Reserved Right of the Issuer; provided that, the Issuer may not (i)

terminate the Financing Agreement or cause the Mortgage Loan to become due and payable, (ii) cause the Trustee to declare the principal of all Bonds then Outstanding and the interest accrued thereon to be immediately due and payable, or cause the Trustee to accelerate, foreclose or take any other action or seek other remedies under the Financing Documents, the Mortgage Loan Documents or any other documents contemplated thereby or by the Financing Agreement to obtain such performance or observance, (iii) cause the acceleration, foreclosure or taking of any other action or the seeking of any remedies under the Mortgage Loan Documents, (iv) initiate or take any action which may have the effect, directly or indirectly, of impairing the ability of the Borrower to timely pay the principal, interest and other amounts due under the Mortgage Loan, or (v) interfere with or attempt to influence the exercise by Fannie Mae of any of its rights under the Financing Documents or the Mortgage Loan Documents.

(d) Except as required to be deposited in the Rebate Fund pursuant to the Financing Documents any amounts collected pursuant to action taken under this section shall, after the payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee, the Issuer, the Lender or Fannie Mae and their respective counsel, be applied in accordance with the provisions of the Indenture. No action taken pursuant to this section shall relieve the Borrower from the Borrower's obligations pursuant to the Financing Agreement.

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

(f) Notwithstanding any other provision of the Financing Agreement to the contrary, after the MBS Delivery Date, so long as Fannie Mae is not in default under the MBS, none of the Issuer, the Trustee or any Person under their control shall exercise any remedies or direct any proceedings under the Financing Agreement or the Mortgage Loan Documents, other than to (i) enforce rights under the MBS, (ii) enforce the Issuer's Reserved Rights, (iii) enforce the tax covenants in the Indenture and the Financing Agreement, or (iv) enforce rights of specific performance under the Regulatory Agreement; provided, however, that any enforcement under (ii), (iii) or (iv) above shall not include seeking monetary damages, but may, subject to (A) the last paragraph of the "Payment of Fees and Expenses" section of the Financing Agreement and (B) subsection (c) above, include the enforcement of the Borrower's obligation to pay the costs, fees and expenses owed to the Issuer and the Trustee.

#### **Notice of Default: Rights To Cure**

The Issuer and the Trustee shall each give notice to the other and the Trustee shall give notice to the Investor Limited Partner and the Lender of the occurrence of any Event of Default by the Borrower under the Financing Agreement of which it has actual knowledge. The Lender and the Investor Limited Partner shall each have the right, but not the obligation, to cure any such default by the Borrower, and upon performance by the Lender or the Investor Limited Partner to the satisfaction of the Issuer and the Trustee of the covenant, agreement or obligation of the Borrower with respect to which an Event of Default has occurred, the parties to the Financing Agreement shall be restored to their former respective positions, it being agreed that the Lender and the Investor Limited Partner shall each have the right to repayment from the Borrower of moneys it has expended and any other appropriate redress for actions it has taken to cure any default by the Borrower; provided that the Borrower's reimbursement obligation shall be non-recourse to the same extent as the underlying obligation is non-recourse to the Borrower and its partners, members, shareholders, directors, officers, employees or agents.

#### **Amendment**

The Financing Agreement and all other documents contemplated by the Financing Agreement to which the Issuer is a party may be amended or terminated only if permitted by the Indenture, and no amendment to the Financing Agreement shall be binding upon, any party to the Financing Agreement until such amendment is reduced to writing and executed by the parties thereto; provided that no amendment, supplement or other modification to the Financing Agreement or any other Financing Document shall be effective without the prior written consent of Fannie Mae.

## **Non-Liability of the Issuer**

The Issuer shall not be obligated to pay the principal (or Redemption Price) of, or interest on the Bonds, except from the Trust Estate. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof, nor the faith and credit of the Issuer or any member is pledged to the payment of the principal (or Redemption Price), premium, if any, or interest on the Bonds. The Issuer shall not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with the Financing Agreement, the Bonds or the Indenture, except only to the extent amounts are received for the payment thereof from the Borrower under the Financing Agreement or from the MBS.

The Borrower acknowledges that the Issuer's sole source of moneys to repay the Bonds will be provided by the Trust Estate, and agrees that if the payments to be made under the Financing Agreement shall ever prove insufficient to pay all principal, premium, if any, and interest on the Bonds as the same shall become due (whether by maturity, redemption, acceleration or otherwise), then upon notice from the Trustee, the Borrower shall pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal (or Redemption Price), premium, if any, or interest, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Trustee, the Borrower, the Issuer or any third party, subject to any right of reimbursement from the Trustee, the Issuer or any such third party, as the case may be, therefor.

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**APPENDIX E**  
**SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT**

*The following is a summary of certain provisions of the Tax Regulatory Agreement (the “Regulatory Agreement”). The summary does not purport to be complete or definitive and is qualified in its entirety by reference to the Regulatory Agreement, copies of which are on file with the Issuer and the Trustee.*

**Term of Agreement and Restrictions**

The term of the Regulatory Agreement shall commence on the date of the issuance of the Bonds, irrespective of when or if the Mortgage Loan is ever actually made, and shall extend through the period (the “Qualified Project Period”) which shall commence immediately and shall end on the latest of the following: (i) the date which is 15 years after the date on which 50% of the residential units in the Project are first occupied; (ii) the first date on which no Bonds (and no other tax-exempt private activity bonds relating to the Project) are outstanding; or (iii) the date on which any assistance provided with respect to the Project under Section 8 of the United States Housing Act of 1937, as amended (“Federal Section 8”) terminates. Except as expressly provided elsewhere therein, the Regulatory Agreement shall continue in effect throughout the Qualified Project Period. The foregoing notwithstanding, the Regulatory Agreement and all restrictions thereunder shall terminate: (a) if there is delivered to the Issuer, the Owner and the Trustee an opinion of nationally recognized bond or tax counsel acceptable to the Issuer and the Trustee to the effect that failure to comply with the Regulatory Agreement will not cause interest on the Bonds to become includable in the gross income of the owners thereof for federal income tax purposes, or (b) in the event of an involuntary noncompliance caused by fire, seizure, requisition, foreclosure, transfer of title by deed in lieu of foreclosure, condemnation or similar event, or a change in a federal law or an action of a federal agency after the date of issuance of the Bonds that prevents the Issuer from enforcing the terms of the Regulatory Agreement, but only if, within a reasonable period, either the Bonds are repaid or amounts received as a consequence of such event are used to provide a residential rental project which meets the terms of the Regulatory Agreement. Notwithstanding the foregoing, such requirements shall continue to apply to the Project subsequent to a foreclosure, transfer of title by deed in lieu of foreclosure or similar event if, at any time subsequent to such event, the obligor on the purpose investment (as defined in Section 1.148-1(b) of the Regulations applicable to the Code) or a Related Person obtains an ownership interest in the Project for federal tax purposes.

**Rental Restrictions**

Once available for occupancy each residential unit in the Project must be rented or available for rental on a continuous basis to members of the general public and occupied by individuals or families as their residence for a period equal to the longer of the Qualified Project Period or the term of the Bonds (or any bonds issued to refund the Bonds). No portion of the Project and none of the units in the Project will, at any time during the term of the Regulatory Agreement, be used on a transient basis, or as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, hospital, nursing home, sanitarium, rest home or retirement home. Use on a transient basis shall mean the rental of units for an initial lease term of less than one year.

**Low Income Occupancy Requirements**

Continuously starting on the first date on which ten percent of the units are first occupied through the end of the Qualified Project Period, at least 40% (i.e., at least 78) of the units in the Project (“Low Income Units”) shall be occupied or made available for occupancy by Individuals of Low Income, determined from time to time by the Secretary of the Treasury (“Area Median Income”). In accordance with Regulation Section 1.103-8(b), income of individuals and area median gross income shall be determined in a manner consistent with determinations of lower income families and area median gross income under section 8 of the United States Housing Act of 1937 (or if such program is terminated, under such program as was in effect immediately before such termination). Determinations under the preceding sentence shall include adjustments for family size. Subsections (g) and (h) of section 7872 the Code shall not apply in determining the income of individuals under this subparagraph. Current adjustments for family size are set forth in an exhibit attached to the Regulatory Agreement. Area Median Income for Dutchess County for Fiscal Year 2023 for a family of four is \$119,600. Future year’s Area Median Income shall be determined consistent with Section 142(d)(2)(E) of the Code. The Owner shall take reasonable steps to verify the low income status of all

families or individuals who occupy Low Income Units. The Owner shall not execute any lease or renewal thereof for a unit proposed to be a Low Income Unit which gives the tenant a right to occupy the unit prior to the Issuer's or the Owner's determination of such tenant's income status, unless previously certified as having income less than 60% of Area Median Income under the Federal Section 8 program.

A Low Income Unit shall continue to be treated as such notwithstanding any increase in the income of the occupant except as provided in the next sentence. A Low Income Unit in which the aggregate income of the occupants as of the most recent annual recertification (as described in the Code) exceeds 140% of the applicable income limit (i.e. 140% of 60% of the Area Median Income in the case of a Low Income Unit as adjusted for family size) shall not be treated as a Low Income Unit if after such determination but before the next determination, any residential unit of comparable or smaller size in the Project is occupied by a new tenant whose income exceeds 60% of the Area Median Income. Occupancy of a unit shall refer to the date that the tenant has possession of the unit and the right to occupy such unit pursuant to a fully executed lease. In addition, each Low Income Unit in the Project which is leased to or occupied by Individuals of Low Income shall continue to be considered leased to or occupied by Individuals of Low Income after such Low Income Unit is vacated by such Individuals of Low Income until such time as such Low Income Unit is reoccupied, other than for a temporary period not in excess of 31 days, at which time a redetermination of whether the Low Income Unit is occupied by Individuals of Low Income shall be made.

In the case of new construction, the Owner acknowledges that the foregoing requires that at any time after ten percent (10%) of the residential units in the Project are occupied and prior to full occupancy the number of residential units then required to be rented to Individuals of Low Income shall be forty percent (40%) of the residential units then occupied. Once each unit in the Project has been occupied once, the number of units to be occupied by Individuals of Low Income shall be determined based on the total units in the Project.

### **Project Restrictions**

The Project shall constitute a qualified multi-family residential rental project within the meaning of §142(d) of the Code and will be used for such purposes during the term of the Regulatory Agreement. The Owner warrants that the Project will be completed with due diligence substantially in accordance with building plans and specifications as in existence on the date of the Regulatory Agreement as the same may be modified not in violation of the Financing Documents or the documents related to the Mortgage Loan (the "Mortgage Loan Documents"). The Project will consist of a building or structure or several proximate buildings or structures which are located on a single tract of land or contiguous tracts of land with or without facilities directly related and essential thereto (i.e., the Land). The term "tract" means any parcels of land which are contiguous except for the interposition of a road, street, stream or similar property. Parcels are contiguous if their boundaries meet at one or more points. Pursuant to the plans and specifications, all of the units in the Project are similarly constructed. The Owner will be the sole owner of the Project for federal tax purposes, and the Project is being financed pursuant to a common plan with the Bonds.

The Owner (or a party related to the Owner) shall not occupy a unit in a building or structure unless such building or structure contains more than four units, and any units shall only be occupied by agents, employees or representatives of the Owner as reasonably required for the proper maintenance or management of the Project. All of the units in the Project will contain within the unit complete living, sleeping, eating, cooking and sanitation facilities, all of which are separate and distinct from other units. All facilities and land are: (i) located on the Land; (ii) solely for the benefit of tenants at the Project; and (iii) of a character and size commensurate with the needs of such tenants.

The Project shall not be used by any persons or entities other than the Owner, its employees, the tenants and their guests. Any swimming pools, recreation facilities, or other health club facilities at the Project (a) do not require an independent charge is assessed; and (b) are not available to the general public.

Continual or frequent nursing, medical, or psychiatric services will not be made available at the Project.

No units in the Project shall be rented other than to individual or families without an opinion of Certificate Counsel that such rentals will not adversely affect the exclusion from gross income of interest on the Bonds for federal tax purposes.

### **Low Income Unit Requirements**

The Low Income Units shall: (i) constitute at least 40% of each unit type, by number of bedrooms; (ii) be sized comparably to the other units; and (iii) have amenities comparable to other units. These requirements shall continue throughout the Qualified Project Period. Tenants in Low Income Units in the Project shall enjoy equal access with all other tenants to all on-site and off-site common facilities of the Project. The Owner shall not separately charge Individuals of Low Income that occupy Low Income Units in addition to rent for use of amenities that are part of the Project unless they receive an opinion of nationally recognized bond counsel to the effect that such charges will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

### **Change of Principals and Transfer Restrictions**

In addition to the restrictions on conveyance of the Project (or a portion thereof) and interests of the Owner set forth in the Financing Agreement and except as provided below, while the Bonds are outstanding, the Owner shall not convey the Project or interests in the ownership of the Project in a manner such that any contractor or subcontractor, or any other person to whom proceeds of the Bonds have been paid becomes a related person to the Owner and the Owner shall not otherwise become a related person to any subcontractor or such other recipients of proceeds of the Bonds, except upon receipt of an opinion of a nationally recognized bond counsel acceptable to the Issuer and Trustee that such transfer will not adversely affect the exclusion of the interest on the Bonds from gross income for federal income purposes. The preceding sentence shall not apply to prevent the payment of proceeds to the Owner, the developer, the contractor or any subcontractor, provided that the other requirements set forth in the Regulatory Agreement (e.g., such as those related to qualified costs) are satisfied. For purposes of the Regulatory Agreement, "related person" has the meaning ascribed thereto in Section 144(a)(3) of the Code.

Subject to the terms described in "Term of Agreement and Restrictions" above, the terms and conditions of the Regulatory Agreement shall remain outstanding and enforceable against any new owner of the Project.

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## **APPENDIX F BOOK-ENTRY SYSTEM**

*The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer and the Borrower believe to be reliable, but neither the Issuer, the Underwriter nor the Borrower take responsibility for the accuracy thereof.*

The Depository Trust Company ("DTC"), New York, New York will act as securities depository for the Bonds. The 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 bond will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC or held by the Trustee.

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

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("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 bonds are to be accomplished by entries made on the records of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in bonds, except in the event that use of the book-entry system for the bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the 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. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the transaction documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial

Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, the amount of the interest of each Direct Participant in such issue to be redeemed shall be determined on a pro rata basis in accordance with the “Pro Rata Pass Through Distributions of Principal” procedures of DTC.

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

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the Issuer, on 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 or its nominee, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Issuer. Under such circumstances, in the event that a successor depository is not obtained, bonds are required to be printed and delivered.

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

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

**APPENDIX G**  
**FORM OF CONTINUING DISCLOSURE AGREEMENT**

**\$24,180,000**  
**Dutchess County Local Development Corporation**  
**Multifamily Tax-Exempt Mortgage-backed Bonds**  
**(M-TEBS) (SOCIAL<sup>†</sup>) Series 2023**  
**(Tompkins Terrace Housing, L.P. Project)**

This Continuing Disclosure Agreement, dated as of September 1, 2023 (this “Continuing Disclosure Agreement”), is executed and delivered by Tompkins Terrace Housing, L.P., a New York limited partnership (the “Borrower”), and U.S. Bank Trust Company, National Association, a national banking association, as dissemination agent (the “Dissemination Agent”). The above-captioned bonds (the “Bonds”) are being issued pursuant to an Indenture of Trust, dated as of September 1, 2023 (the “Indenture”), between the Dutchess County Local Development Corporation (the “Issuer”) and U.S. Bank Trust Company, National Association, a national banking association, as trustee (the “Trustee”). Pursuant to the Indenture and Financing Agreement, dated as of September 1, 2023, among the Issuer, the Trustee and the Borrower (the “Financing Agreement”), the Dissemination Agent and the Borrower covenant and agree as follows:

**Section 1. Purpose of this Continuing Disclosure Agreement.** This Continuing Disclosure Agreement is being executed and delivered by the Borrower and the Dissemination Agent for the benefit of the holders of the Bonds and in order to assist the Participating Underwriter in complying with the Rule (defined below). The Borrower and the Dissemination Agent acknowledge that the Issuer has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Continuing Disclosure Agreement, and has no liability to any person, including any holder of the Bonds or Beneficial Owner, with respect to any such reports, notices or disclosures.

**Section 2. Definitions.** In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Continuing Disclosure Agreement unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

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

“*Audited Financial Statements*” means, in the case of the Borrower, the annual audited financial statements prepared in accordance with generally accepted accounting principles, if any.

“*Beneficial Owner*” shall mean any person which (a) 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, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“*Disclosure Representative*” shall mean the administrator of the Project or his or her designee, or such other person as the Borrower shall designate in writing to the Dissemination Agent from time to time.

“*Dissemination Agent*” shall mean U.S. Bank Trust Company, National Association, a national banking association, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Borrower and which has filed with the Trustee a written acceptance of such designation.

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

“*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

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<sup>†</sup> The Bonds are captioned as “Social” based on the Borrower’s expectation of the Project meeting the Social criteria for MBS under the Fannie Mae Sustainable Framework and not any social standard established by the Issuer. See “APPENDIX J—FANNIE MAE SUSTAINABLE FRAMEWORK” herein. The Issuer has not determined that the Bonds themselves qualify for designation as Social and has not made an independent determination as to whether the Project qualifies as Social.

accompanied by identifying information, as prescribed by the MSRB. Initially, all document submissions to the MSRB pursuant to this Continuing Disclosure Agreement shall use the MSRB's Electronic Municipal Market Access (EMMA) system at [www.emma.msrb.org](http://www.emma.msrb.org).

*"Participating Underwriter"* means KeyBanc Capital Markets Inc., and its successors and assigns.

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

### **Section 3. Provision of Annual Reports.**

(a) The Borrower will, or will cause the Dissemination Agent to, not later than 180 days following the end of the Borrower's fiscal year, commencing with the fiscal year ending on December 31, 2024, provide to the MSRB an Annual Report which is consistent with the requirements described below. No later than 15 Business Days prior to said date, the Borrower will provide the Annual Report to the Dissemination Agent and the Trustee (if the Trustee is not the Dissemination Agent). In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package and may cross reference other information, provided that the audited financial statements for the prior calendar year of the Borrower may be submitted separately from the balance of the Annual Report.

(b) If by 15 Business Days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent will contact the Disclosure Representative to determine if the Borrower is in compliance with subsection (a).

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent will send in a timely manner a notice to the MSRB in substantially the form attached as Exhibit B to this Continuing Disclosure Agreement.

(d) The Dissemination Agent will file a report with the Borrower and (if the Dissemination Agent is not the Trustee) the Trustee certifying that the Annual Report has been provided pursuant to this Continuing Disclosure Agreement, stating the date it was provided.

**Section 4. Content of Annual Reports.** The Borrower's Annual Report will contain or incorporate by reference the financial information with respect to the Project, provided at least annually, of the type included in Exhibit A hereto, which Annual Report may, but is not required to, include Audited Financial Statements. If the Borrower's Audited Financial Statements are not available by the time the Annual Report is required to be filed, the Annual Report will contain unaudited financial statements, and the Audited Financial Statements will be filed in the same manner as the Annual Report when and if they become available.

Any or all of the items described in Exhibit A may be incorporated by reference from other documents, including official statements of debt issues with respect to which the Borrower is an "Obligated Person" (as defined by the Rule), which have been filed with the MSRB. The Borrower will clearly identify each such other document so incorporated by reference.

Each annual report submitted hereunder shall be in readable portable document format ("PDF") or other acceptable electronic form.

### **Section 5. Reporting of Listed Events.**

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events (each, a "Listed Event"):

- (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 status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii)    Modifications to rights of holders of the Bonds, if material;
- (viii)   Bond calls, if material, and tender offers;
- (ix)     Defeasances;
- (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 the Borrower. 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 Borrower in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Borrower, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Borrower;
- (xiii)   The consummation of a merger, consolidation, or acquisition involving the Borrower or the sale of all or substantially all of the assets of the Borrower, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (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;
- (xv)     Incurrence of a financial obligation of the Borrower, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Borrower, any of which affect security holders, if material;
- (xvi)    Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Borrower, any of which reflect financial difficulties;
- (xvii)   Delivery of the MBS and/or the Pool Number from Fannie Mae and any extension of the MBS Delivery Date Deadline; and
- (xviii)   The Project being placed in service for purposes of qualifying the property for low income housing tax credits. Notice of the Project being placed in service from the Borrower to the Dissemination Agent shall be in the form attached as Exhibit F or such other form as may be approved by the Dissemination Agent. Notice of the Project being placed in service from the Dissemination Agent to the Municipal Securities Rulemaking Board shall be in the form attached as Exhibit C or such other form as may be approved by the Dissemination Agent.

For purposes of clauses (xv) and (xvi) of this Section 5(a), “financial obligation” is as contemplated by Exchange Act Release No. 34-83885; File No. S7-01-17 (the “Adopting Release”).

(b) The Dissemination Agent shall, within three (3) Business Days of obtaining actual knowledge of the occurrence of any potential Listed Event, pursuant to subsection (c) of this Section 5 or otherwise, provide the Disclosure Representative with notice (by facsimile transmission confirmed by telephone or by email). While the Dissemination Agent is also the Trustee, the Dissemination Agent shall be deemed to have actual knowledge of those items listed in clauses (i), (iii) (solely with respect to funds held by the Trustee), (iv), (v), (vii), (viii), (ix), (x) and (xiv) above without the Dissemination Agent having received notice of such event. While the Dissemination Agent is not also the Trustee, the Dissemination Agent shall not be deemed to have actual knowledge of any items listed in clauses (i) - (xiv) above without the Dissemination Agent’s having received written notice of such event. For purposes of providing notice to the Disclosure Representative, the Dissemination Agent shall assume that the unscheduled draws described in clauses (iii) and (iv) reflect financial difficulty.

(c) Whenever the Borrower obtains knowledge of the occurrence of a potential Listed Event, the Borrower shall, within five (5) Business Days of obtaining such knowledge and in any event no more than eight (8) Business Days after the occurrence of such event, determine if such event is in fact a Listed Event that is required by the Rule to be disclosed and provide the Dissemination Agent with notice and instructions pursuant to subsections (d) below.

(d) If the Borrower has determined that a Listed Event is required to be disclosed then the Borrower shall prepare a written notice describing the Listed Event and provide the same to the Dissemination Agent along with instructions to file the same pursuant to subsection (e) below.

(e) If the Dissemination Agent has been provided with a written notice describing a Listed Event pursuant to subsection (c) of this Section 5 or otherwise, and is instructed by the Borrower to report the occurrence of such Listed Event, the Dissemination Agent shall, within two (2) Business Days of its receipt of such written notice and in any event no more than ten (10) Business Days after the occurrence of the Listed Event, file the notice with the MSRB and send a copy to the Borrower.

**Section 6. Amendment; Waiver.** Notwithstanding any other provision of this Continuing Disclosure Agreement, the Borrower and the Dissemination Agent may amend this Continuing Disclosure Agreement (and the Dissemination Agent will agree to any amendment so requested by the Borrower unless such amendment adversely affects its rights, duties, protections, immunities, indemnities or standard of care, as determined by the Dissemination Agent) and any provision of this Continuing Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions described under paragraph (a) under “Provision of Annual Reports,” “Contents of Annual Reports” or paragraph (a) under “Reporting of Listed Events,” it 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 an Obligated Person (as defined in the Rule) with respect to the Bonds or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Holders or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Agreement, the Borrower will describe such amendment in the next Annual Report and will include, as applicable, a narrative

explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information being presented by the Borrower. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change will be given in the same manner as for a Listed Event under Section 5(f) hereof and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

**Section 7. Default.** In the event of a failure of the Borrower or the Dissemination Agent to comply with any provision of this Continuing Disclosure Agreement, and such failure to comply continues beyond a period of thirty (30) days following written notice to the Borrower, the Borrower or any Holder or Beneficial Owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking, or specific performance by court order, to cause the Borrower or the Dissemination Agent, as the case may be, to comply with its obligations under this Continuing Disclosure Agreement. A default under this Continuing Disclosure Agreement will not be deemed an Event of Default under the Indenture or the Financing Agreement, and the sole remedy under this Continuing Disclosure Agreement in the event of any failure of the Borrower or the Dissemination Agent to comply with this Continuing Disclosure Agreement will be an action to compel performance.

**Section 8. Beneficiaries.** This Continuing Disclosure Agreement will inure solely to the benefit of the Borrower, the Dissemination Agent, the Participating Underwriter and Holders from time to time of the Bonds and will create no rights in any other person or entity.

**Section 9. Additional Information.** Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the Borrower from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Continuing Disclosure Agreement. If the Borrower chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Continuing Disclosure Agreement, the Borrower shall have no obligation under this Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

**Section 10. Duties, Immunities and Liabilities of Dissemination Agent.**

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Continuing Disclosure Agreement. The Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Borrower has provided such information to the Dissemination Agent as required by this Continuing Disclosure Agreement. The Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Dissemination Agent shall have no duty or obligation to review or verify any information, disclosures or notices provided to it by the Borrower and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Dissemination Agent shall have no responsibility for the Borrower's failure to report to the Dissemination Agent a Listed Event or a duty to determine the materiality thereof. The Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Borrower has complied with this Continuing Disclosure Agreement. The Dissemination Agent may conclusively rely upon Certifications of the Borrower at all times.

The obligations of the Borrower under this Section shall survive resignation or removal of the Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Borrower.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Continuing Disclosure Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

**Section 11. Notices.** All notices, requests, demands or other communications to or upon the respective parties hereto shall be deemed to have been duly given or made when delivered personally or by mail (including electronic mail) to the party to which such notice, request, demand or other communication is required or permitted to be given or made under this Continuing Disclosure Agreement and addressed as set forth below or telecopied to the telecopier number of the recipient, with confirmation of transmission, indicated below:

*If to the Borrower:*

Tompkins Terrace Housing, L.P.  
c/o Related Companies  
30 Hudson Yards, 72nd Floor  
New York, NY 10001  
Attention: Matthew Finkle  
E-mail: mfinkle@related.com

with a copy to:

Levitt & Boccio, LLP  
423 West 55th Street, 8th Floor  
New York, NY 10019  
Attention: David Boccio  
Email: dboccio@levittboccio.com

*If to the Dissemination Agent:*

U.S. Bank Trust Company, National Association  
333 Thornall Street, 4th Floor  
Edison, NJ 08837  
Attention: Christopher E. Golabek  
E-mail: christopher.golabek@usbank.com

**Section 12. Governing Law.** This Continuing Disclosure Agreement shall be governed by the laws of the State of New York.

**Section 13. Termination of this Continuing Disclosure Agreement.** The Borrower or the Dissemination Agent may terminate this Continuing Disclosure Agreement by giving written notice to the other party at least 30 days prior to such termination. The Dissemination Agent shall be fully discharged at the time any such termination is effective. The Borrower's and the Dissemination Agent's obligations under this Continuing Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Borrower shall give notice of such termination in a filing with the MSRB.

**Section 14. Counterparts.** This Continuing 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.



IN WITNESS WHEREOF, the parties hereto have caused this Continuing Disclosure Agreement to be executed by their duly authorized representatives as of the date set forth above.

**TOMPKINS TERRACE HOUSING, L.P.,**  
a New York limited partnership

By: Tompkins Terrace Housing GP, LLC,  
a New York limited liability company,  
its General Partner

By: \_\_\_\_\_  
Matthew Finkle  
Vice President

[Signatures continue on following page]

[Dissemination Agent's Signature Page to Continuing Disclosure Agreement]

**U.S. BANK TRUST COMPANY, NATIONAL  
ASSOCIATION, as Dissemination Agent**

By: \_\_\_\_\_  
Authorized Officer

**EXHIBIT A**

**ANNUAL REPORT**

**\$24,180,000**

**Dutchess County Local Development Corporation  
Multifamily Tax-Exempt Mortgage-backed Bonds  
(M-TEBS) (SOCIAL<sup>†</sup>) Series 2023  
(Tompkins Terrace Housing, L.P. Project)**

**CUSIP: 26704A AA9**

**Annual report for the period ending December 31, \_\_\_\_\_**

**THE PROJECT**

Name of the Project:	Tompkins Terrace
Address:	194 Tompkins Terrace (aka 1-193 Tompkins Terrace), Beacon, NY 12508
Number of Units:	193

**INFORMATION ON THE BONDS AND THE MBS**

Original principal amount of Bonds:	
Outstanding principal amount of Bonds:	
MBS Pool Number:	
MBS CUSIP Number:	
Original principal amount of the MBS:	
Outstanding principal amount of the MBS:	

**OPERATING HISTORY OF THE PROJECT**

The tables set forth below offer a summary of the operating results of the Project for fiscal year ended December 31, \_\_\_\_\_, as derived from the Borrower’s audited financial statements [or unaudited financial statements].

<b>Financial Results for Fiscal Year Ending December 31, _____</b>	
Revenues	
Operating Expenses <sup>1</sup>	
Net Operating Income	
Debt Service on the Bonds	
Net Income (Loss)	
Debt Service Coverage Ratio	

<sup>1</sup> Excludes depreciation and other non-cash expenses.

<sup>†</sup> The Bonds are captioned as “Social” based on the Borrower’s expectation of the Project meeting the Social criteria for MBS under the Fannie Mae Sustainable Framework and not any social standard established by the Issuer. See “APPENDIX J—FANNIE MAE SUSTAINABLE FRAMEWORK” herein. The Issuer has not determined that the Bonds themselves qualify for designation as Social and has not made an independent determination as to whether the Project qualifies as Social.

<b>Occupancy Results for Fiscal Year Ending December 31,</b>	
Physical Occupancy	%
Economic Occupancy <sup>1</sup>	%

<sup>1</sup> The physical occupancy rate is the proportion of units that are occupied or leased by tenants. The economic occupancy rate is the proportion of the gross potential rent that is actually collected. As such, the economic occupancy takes into consideration items such as model units, employee units, discounted units, rent incentives, loss to lease and bad debt expense.

#### **AUDITED FINANCIAL STATEMENTS**

\_\_\_\_\_ Attached

\_\_\_\_\_ Audited financial statements of the Borrower for the period ending December 31, 20\_\_ are not yet completed; therefore, no audited financial statements of the Borrower are being filed herewith. Unaudited financial statements for such period are attached in lieu of audited financial statements. Audited financial statements will be filed when available.

\_\_\_\_\_ No audited financial statements of the Borrower were prepared for the period ending December 31, 20\_\_ ; therefore, no audited financial statements of the Borrower are being filed herewith. Unaudited financial statements for such period are attached in lieu of audited financial statements.

**EXHIBIT B**

**NOTICE OF FAILURE TO  
FILE ANNUAL DISCLOSURE REPORT**

Name of Issuer: Dutchess County Local Development Corporation  
Name of Issue: Multifamily Tax-Exempt Mortgage-backed Bonds (M-TEBS) (SOCIAL<sup>†</sup>) Series 2023  
(Tompkins Terrace Housing, L.P. Project)  
Name of Borrower: Tompkins Terrace Housing, L.P., a New York limited partnership  
CUSIP: 26704A AA9  
Date of Issuance: September 12, 2023

NOTICE IS HEREBY GIVEN that the above-referenced borrower (the “Borrower”) has not provided an Annual Report with respect to the above-named Bonds as required by its Continuing Disclosure Agreement. The undersigned has been informed by the Borrower that it anticipates that Annual Report will be filed by \_\_\_\_\_.

DATED: \_\_\_\_\_

**U.S. BANK TRUST COMPANY, NATIONAL  
ASSOCIATION,**  
as Dissemination Agent

By: \_\_\_\_\_  
Authorized Officer

cc: Borrower

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<sup>†</sup> The Bonds are captioned as “Social” based on the Borrower’s expectation of the Project meeting the Social criteria for MBS under the Fannie Mae Sustainable Framework and not any social standard established by the Issuer. See “APPENDIX J—FANNIE MAE SUSTAINABLE FRAMEWORK” herein. The Issuer has not determined that the Bonds themselves qualify for designation as Social and has not made an independent determination as to whether the Project qualifies as Social.

**EXHIBIT C**

**NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD OF  
PROJECT PLACED IN SERVICE**

Name of Issuer: Dutchess County Local Development Corporation

Name of Bond Issue: Multifamily Tax-Exempt Mortgage-backed Bonds (M-TEBS) (SOCIAL<sup>†</sup>) Series 2023 (Tompkins Terrace Housing (aka 1-193 Tompkins Terrace), L.P. Project)

Name of Borrower: Tompkins Terrace Housing, L.P., a New York limited partnership

Name of Project: Tompkins Terrace

Address of Project: 194 Tompkins Terrace (aka 1-193 Tompkins Terrace), Beacon, NY 12508

Date of Issuance: September 12, 2023

NOTICE IS HEREBY GIVEN as per the requirements of the Continuing Disclosure Agreement, dated as of September 1, 2023, between the above-referenced borrower (the “Borrower”) and U.S. Bank Trust Company, National Association, as Dissemination Agent, that the Borrower has certified that the above-referenced project (the “Project”) is complete and placed in service by the Borrower as evidenced by a certificate from the Borrower confirming that the Project is placed in service for purposes of Section 42 of the Code.

Dated:

**U.S. BANK TRUST COMPANY, NATIONAL  
ASSOCIATION,**  
as Dissemination Agent

By: \_\_\_\_\_  
Authorized Officer

cc: Borrower

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<sup>†</sup> The Bonds are captioned as “Social” based on the Borrower’s expectation of the Project meeting the Social criteria for MBS under the Fannie Mae Sustainable Framework and not any social standard established by the Issuer. See “APPENDIX J—FANNIE MAE SUSTAINABLE FRAMEWORK” herein. The Issuer has not determined that the Bonds themselves qualify for designation as Social and has not made an independent determination as to whether the Project qualifies as Social.

**EXHIBIT D**

**NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD OF  
EXTENSION OF MBS DELIVERY DATE DEADLINE**

Name of Issuer: Dutchess County Local Development Corporation

Name of Bond Issue: Multifamily Tax-Exempt Mortgage-backed Bonds (M-TEBS) (SOCIAL<sup>†</sup>) Series 2023  
(Tompkins Terrace Housing, L.P. Project)

Name of Borrower: Tompkins Terrace Housing, L.P., a New York limited partnership

Date of Issuance: September 12, 2023

Original MBS Delivery Date Deadline: October 25, 2023

Extended MBS Delivery Date Deadline:

NOTICE IS HEREBY GIVEN as per the requirements of the Continuing Disclosure Agreement, dated as of September 1, 2023, between the above-referenced borrower (the “Borrower”) and U.S. Bank Trust Company, National Association, as Dissemination Agent, that the Borrower has extended the MBS Delivery Date Deadline from the Original MBS Delivery Date Deadline to the Extended MBS Delivery Date Deadline, pursuant to the Indenture of Trust, dated as of September 1, 2023, between the Issuer and U.S. Bank Trust Company, National Association, as trustee.

Dated:

**U.S. BANK TRUST COMPANY, NATIONAL  
ASSOCIATION,**  
as Dissemination Agent

By: \_\_\_\_\_  
Authorized Officer

cc: Borrower

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<sup>†</sup> The Bonds are captioned as “Social” based on the Borrower’s expectation of the Project meeting the Social criteria for MBS under the Fannie Mae Sustainable Framework and not any social standard established by the Issuer. See “APPENDIX J—FANNIE MAE SUSTAINABLE FRAMEWORK” herein. The Issuer has not determined that the Bonds themselves qualify for designation as Social and has not made an independent determination as to whether the Project qualifies as Social.

**EXHIBIT E**

**NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD OF  
DELIVERY OF THE MBS**

Name of Issuer: Dutchess County Local Development Corporation

Name of Bond Issue: Multifamily Tax-Exempt Mortgage-backed Bonds (M-TEBS) (SOCIAL<sup>†</sup>) Series 2023  
(Tompkins Terrace Housing, L.P. Project)

Name of Borrower: Tompkins Terrace Housing, L.P., a New York limited partnership

Name of Project: Tompkins Terrace

Address of Project: 194 Tompkins Terrace (aka 1-193 Tompkins Terrace), Beacon, NY 12508

Date of Issuance: September 12, 2023

NOTICE IS HEREBY GIVEN as per the requirements of the Continuing Disclosure Agreement, dated as of September 1, 2023, between the above-referenced borrower (the “Borrower”) and U.S. Bank Trust Company, National Association, as Dissemination Agent, that the Borrower has certified that the MBS related to the above-referenced Bond Issue has been delivered by Fannie Mae to U.S. Bank Trust Company, National Association, as Trustee.

Dated:

**U.S. BANK TRUST COMPANY, NATIONAL  
ASSOCIATION,**  
as Dissemination Agent

By: \_\_\_\_\_  
Authorized Officer

cc: Borrower

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<sup>†</sup> The Bonds are captioned as “Social” based on the Borrower’s expectation of the Project meeting the Social criteria for MBS under the Fannie Mae Sustainable Framework and not any social standard established by the Issuer. See “APPENDIX J—FANNIE MAE SUSTAINABLE FRAMEWORK” herein. The Issuer has not determined that the Bonds themselves qualify for designation as Social and has not made an independent determination as to whether the Project qualifies as Social.



**EXHIBIT F**

**FORM OF NOTICE OF PLACED IN SERVICE**

\$24,180,000

Dutchess County Local Development Corporation  
Multifamily Tax-Exempt Mortgage-backed Bonds  
(M-TEBS) (SOCIAL<sup>†</sup>) Series 2023  
(Tompkins Terrace Housing, L.P. Project)

The undersigned hereby provides notice to U.S. Bank Trust Company, National Association, a national banking association, as dissemination agent (the “Dissemination Agent”) that the multifamily rental housing development known as Tompkins Terrace (the “Project”) has been placed in service in accordance with the Indenture of Trust, dated as of September 1, 2023, between Dutchess County Local Development Corporation (the “Issuer”) and U.S. Bank Trust Company, National Association, a national banking association, as Trustee (the “Trustee”), pursuant to which the above-captioned bonds were issued.

**TOMPKINS TERRACE HOUSING, L.P.,**  
a New York limited partnership

By: Tompkins Terrace Housing GP, LLC,  
a New York limited liability company,  
its General Partner

By: \_\_\_\_\_  
Matthew Finkle  
Vice President

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<sup>†</sup> The Bonds are captioned as “Social” based on the Borrower’s expectation of the Project meeting the Social criteria for MBS under the Fannie Mae Sustainable Framework and not any social standard established by the Issuer. See “APPENDIX J—FANNIE MAE SUSTAINABLE FRAMEWORK” herein. The Issuer has not determined that the Bonds themselves qualify for designation as Social and has not made an independent determination as to whether the Project qualifies as Social.

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**APPENDIX H  
TERM SHEET**

*This Term Sheet assumes the related Mortgage Loan is originated in an amount equal to the maximum amount available under the Lender Commitment and that all the conditions to delivery of the MBS have been satisfied and have not been waived or modified. See “Multifamily Schedule of Loan Information” herein.*

<p><b>\$24,180,000</b></p> <p><b>Dutchess County Local Development Corporation</b></p> <p><b>Multifamily Tax-Exempt Mortgage-backed Bonds</b></p> <p><b>(M-TEBS) (SOCIAL<sup>†</sup>) Series 2023</b></p> <p><b>(Tompkins Terrace Housing, L.P. Project)</b></p>	
<p><b>TAX-EXEMPT BOND AND MBS INFORMATION</b></p> <p><i>(Information provided by Issuer for this Official Statement)</i></p>	
BOND ISSUER NAME	Dutchess County Local Development Corporation (“Issuer”)
BOND ISSUE SERIES	Multifamily Tax-Exempt Mortgage-backed Bonds (M-TEBS) (SOCIAL <sup>†</sup> ) Series 2023 (Tompkins Terrace Housing, L.P. Project)
BOND ISSUE PAR	\$24,180,000
BOND DATED DATE	September 1, 2023
BOND MATURITY DATE	October 1, 2040
BOND ISSUE TAX STATUS	See “TAX MATTERS” in the Official Statement.
BOND ISSUE CUSIP	26704A AA9
COLLATERAL FOR THE BOND ISSUE	Fannie Mae DUS MBS (see pool info below)
MBS DELIVERY DATE DEADLINE	October 25, 2023, or, if such day is not a Business Day, the following Business Day, which may be extended in accordance with terms of the Indenture
BOND ISSUE CREDIT RATING	Moody’s “Aaa”
BOND CLOSING DATE	September 12, 2023
BOND PAYMENT DATES	Prior to the MBS Delivery Date, the 26th day of the month, or the next succeeding Business Day if such 26th day is not a Business Day. Following the MBS Delivery Date, the Business Day immediately after the date of receipt of a payment on underlying Fannie Mae MBS <sup>1</sup>
BOND FIRST PAYMENT DATE	October 26, 2023
BOND INTEREST-ONLY PERIOD	24 months
BOND FIRST PRINCIPAL PAYMENT DATE	November 26, 2025 or, if such day is not a Business Day, the next Business Day.

<sup>†</sup> The Bonds are captioned as “Social” based on the Borrower’s expectation of the Project meeting the Social criteria for MBS under the Fannie Mae Sustainable Framework and not any social standard established by the Issuer. See “APPENDIX J—FANNIE MAE SUSTAINABLE FRAMEWORK” herein. The Issuer has not determined that the Bonds themselves qualify for designation as Social and has not made an independent determination as to whether the Project qualifies as Social.

<sup>1</sup> There shall be no further accrual of interest from the Bond Maturity Date to the date the final payment is made with respect to the Bonds. Because of this lag in payment of principal and interest inherent in the payment terms of the Bonds and the one Business Day lag in payment, the effective yield on the Bonds will be lower than the Bond Net Pass-Through Rate on the Bond.

BOND FINAL PAYMENT DATE	The Business Day after the MBS payment is received on October 25, 2040
ALL OTHER BOND ISSUE TERMS	Same as underlying MBS
BOND PREPAYMENT TERMS	See “DESCRIPTION OF THE BONDS – Mandatory Redemption of Bonds” in the Official Statement.
BOND OFFERING PRICE	100%
BOND UNDERWRITER	KeyBanc Capital Markets Inc.
MANDATORY REDEMPTION OF BONDS	See “DESCRIPTION OF THE BONDS – Mandatory Redemption of Bonds” in the Official Statement.
OPTIONAL REDEMPTION OF BONDS	The Bonds are not subject to optional redemption other than in connection with a prepayment of the Mortgage Loan.
BOND EXCHANGE FEATURE	See “DESCRIPTION OF THE BONDS – Optional Exchange of Bonds for MBS” in the Official Statement.
BOND TRUSTEE	U.S. Bank Trust Company, National Association
BOND REMAINING TERM TO MATURITY	204 months, plus, if the Closing Date occurs other than on the first day of the month, the number of days from the Closing Date to the last day of the month in which the Closing Date occurs.
<b>UNDERLYING FANNIE MAE POOL STATISTICS (AS OF ISSUE DATE)</b> <i>(Information provided by Lender for this Official Statement)</i>	
FANNIE MAE LOAN TYPE	Immediate Delivery
NOTE RATE	5.82%
POOL/LOAN MATURITY DATE	October 1, 2040
EXPECTED MBS DELIVERY DATE	October 25, 2023
NUMBER OF LOANS	1
POOL SECURITY FUNDS TRANSFER TYPE	Fed Wire
TRANSACTION TYPE	DUS
POOL FIRST PAYMENT DATE	25 <sup>th</sup> day of the month following the month in which the MBS is delivered, or the following Business Day if such day is not a Business Day
POOL FINAL PAYMENT DATE	October 25, 2040, or the following Business Day if such day is not a Business Day
SECURITY TYPE	Fannie Mae MBS
SELLER NAME	KeyBank National Association
SERVICER NAME	KeyBank National Association
POOL NUMBER	BS9676
% OF INITIAL POOL BALANCE	100%
POOL PREFIX	BS
<b>MULTIFAMILY SCHEDULE OF LOAN INFORMATION</b> <i>(Information provided by Lender for this Official Statement)</i>	
FANNIE MAE LOAN NUMBER	10241907
TIER	2
TIER DROP ELIGIBLE	No
LIEN PRIORITY	First

WEIGHTED AVERAGE ISSUANCE UW NCF DSCR(x)	1.15x
BALLOON	Yes
OTHER DEBT NOT DISCLOSED HEREIN	No
ISSUANCE UPB/UNIT	\$125,285
PREPAYMENT PREMIUM OPTION	Yield Maintenance – CMT as defined in the Fannie Mae Multifamily MBS Prospectus
PREPAYMENT PREMIUM TERM	Fannie Mae yield maintenance premium from closing through September 30, 2033 (120 months). <sup>2</sup> Thereafter, a 1% prepayment penalty shall apply through September 30, 2038 (60 months) <sup>3</sup> . Thereafter, no prepayment premium shall apply.
FIRST LOAN PAYMENT DATE	November 1, 2023
ORIGINAL TERM (MONTHS)	204 months
WEIGHTED AVERAGE AMORTIZATION TERM (MONTHS)	35 years (420 months)
INTEREST TYPE	Fixed
INTEREST ACCRUAL METHOD	Actual/360
INTEREST ONLY TERM (MONTHS)	From the Closing Date until September 30, 2025
NOTE DATE	September 12, 2023
LOAN PURPOSE	Acquisition/Rehabilitation
MONTHLY DEBT SERVICE	\$134,961.47
MONTHLY DEBT SERVICE AMOUNT PARTIAL IO	N/A
MBS FRAMEWORK CRITERIA?	Yes – Social MBS
<b>COLLATERAL INFORMATION</b> <i>(Information provided by Lender for this Official Statement)</i>	
PROPERTY ID/DEAL ID	55284
PROPERTY NAME	Tompkins Terrace
PROPERTY STREET ADDRESS	194 Tompkins Terrace (aka 1-193 Tompkins Terrace)
PROPERTY CITY	Beacon
PROPERTY STATE	New York
PROPERTY ZIP CODE	12508
PROPERTY COUNTY	Dutchess
MSA	Poughkeepsie-Newburgh-Middletown, NY
YEAR BUILT	1973
PHYSICAL OCCUPANCY	95.85% (as of July 6, 2023)
UNDERWRITTEN ECONOMIC OCCUPANCY	97.00%
REMAINING AMORTIZATION TERM TO MATURITY	From October 1, 2025, to October 1, 2040

<sup>2</sup> A portion of this prepayment premium, if collected, may be shared with Certificateholders under the circumstances described in “YIELD, MATURITY AND PREPAYMENT CONSIDERATIONS—Maturity and Prepayment Considerations—Prepayment of a Mortgage Loan—Prepayment Premiums” in the Fannie Mae MBS Prospectus.

<sup>3</sup> No portion of this prepayment premium, if collected, will be shared with Certificateholders under any circumstances as is described in “YIELD, MATURITY AND PREPAYMENT CONSIDERATIONS—Maturity and Prepayment Considerations—Prepayment of a Mortgage Loan—Prepayment Premiums” in the Fannie Mae MBS Prospectus.

ISSUANCE LTV	65.35%, which LTV is based on an underwritten value that is less than the purchase price
ALL-IN ISSUANCE LTV	65.35%, which LTV is based on an underwritten value that is less than the purchase price
UNDERWRITTEN EFFECTIVE GROSS INCOME	\$3,699,278
UNDERWRITTEN TOTAL OPERATING EXPENSES	\$1,778,890
UNDERWRITTEN REPLACEMENT RESERVES	\$300 per unit per year
UW NCF (\$)	\$1,862,488
CROSS-COLLATERALIZED (Y/N)	No
CROSS-DEFAULTED (Y/N)	No
GENERAL PROPERTY TYPE	Multifamily
SPECIFIC PROPERTY TYPE	Garden Style
LAND OWNERSHIP RIGHTS	Fee Simple.
PROPERTY VALUE	\$24,500,000 (as of April 19, 2023)
SEISMIC RISK	The Project meets Fannie Mae seismic requirements, if any.
TERRORISM INSURANCE COVERAGE (Y/N)	Yes
TOTAL NUMBER OF UNITS	193
AFFORDABLE HOUSING TYPE	Low Income Housing Tax Credit (“LIHTC”) (193 units)
TAXES CURRENTLY ESCROWED	Yes
PROPERTY OWNER	Tompkins Terrace Housing, L.P., as beneficial owner subject to the Nominee Agreement with Tompkins Terrace Housing Development Fund Company, Inc.
SPONSOR	The Related Companies, L.P.
PROPERTY MANAGER	See “PRIVATE PARTICIPANTS – The Property Manager” in the Official Statement.
PROPERTY MANAGER EXPERIENCE	See “PRIVATE PARTICIPANTS – The Property Manager” in the Official Statement.
UNIT OF MEASURE	Units
<b>CRA INFORMATION</b>	
<i>(Information provided by Borrower for this Official Statement)</i>	
UNITS AT OR BELOW 50% OF MEDIAN INCOME	19.69% (38 units)
UNITS AT OR BELOW 60% OF MEDIAN INCOME	80.31% (155 units)
UNITS WITH LOW INCOME HOUSING TAX CREDIT INCOME OR RENT RESTRICTION %	100% (193 units)
AGE RESTRICTED INDICATOR	No
TAX ABATEMENT	Yes
FEDERAL TAX CREDIT INVESTOR	Key Community Development Corporation
REGULATORY AGREEMENTS OVERSEER	Dutchess County Local Development Corporation and New York State Housing Finance Agency

REGULATORY AGREEMENT SET-ASIDES	<p>The Project will be encumbered by a tax credit restrictive covenant, to be executed by the Borrower in connection with LIHTC that is anticipated to be granted for the Project and in compliance with Section 42 of the Code. It is anticipated that 100% of the residential units in the Project will be restricted under Section 42 of the Code.</p> <p>Under the Regulatory Agreement the Borrower is required to rent at least 40% of the Project apartment units to certain qualified tenants whose income does not exceed 60% of the area AMI where the Project is located.</p>
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**APPENDIX I**  
**PROPOSED FORM OF OPINION OF BOND COUNSEL**

*Upon the issuance of the Bonds, Nixon Peabody LLP, Bond Counsel for the Issuer, proposes to issue an opinion in substantially the following form:*

September 12, 2023

Dutchess County Local Development Corporation  
Poughkeepsie, New York

U.S. Bank Trust Company, National Association, as Trustee  
New York, New York

KeyBanc Capital Markets Inc.  
Columbus, Ohio

Re:       \$24,180,000 Dutchess County Local Development Corporation  
          Multifamily Tax-Exempt Mortgage-backed Bonds (M-TEBS) (SOCIAL)  
          Series 2023 (Tompkins Terrace Housing, L.P. Project)

Ladies and Gentlemen:

We have acted as bond counsel to the Dutchess County Local Development Corporation (Dutchess County, New York) (the “Issuer”), in connection with the issuance on the date hereof by the Issuer of its \$24,180,000 Dutchess County Local Development Corporation Multifamily Tax-Exempt Mortgage-backed Bonds (M-TEBS) (SOCIAL) Series 2023 (Tompkins Terrace Housing, L.P. Project) (the “Series 2023 Bonds”). The Series 2023 Bonds are authorized to be issued pursuant to:

- (i)       Section 1411 of the New York Not-for-Profit Corporation Law (the “Act”),
- (ii)      the Bond Resolution duly adopted by the Issuer on July 12, 2023 (the “Resolution”), and
- (iii)     the Indenture of Trust, dated as of September 1, 2023 (the “Indenture”), by and between the Issuer and U.S. Bank Trust Company, National Association, as trustee for the benefit of the Owners of the Series 2023 Bonds (the “Trustee”).

The Series 2023 Bonds were issued for the purpose of providing funds to finance the acquisition, rehabilitation and equipping of a multifamily rental housing development, known as Tompkins Terrace (the “Facility”), located in Beacon, New York (collectively, the “Project”). Fee title to the Facility will be held by Tompkins Terrace Housing Development Fund Company, Inc. (the “HDFC”) and the Facility will be operated by the Tompkins Terrace Housing, L.P. (the “Borrower”).

The Issuer will loan the proceeds of the Series 2023 Bonds to the Borrower pursuant to the terms of a Financing Agreement, dated as of September 1, 2023 (the “Financing Agreement”), between the Issuer and the Borrower. Pursuant to the Financing Agreement, the Borrower has agreed, among other things, to (a) make payments on the Mortgage Note (as hereinafter defined), and (b) pay all required fees associated with the Series 2023 Bonds and the Mortgage Loan (as hereinafter defined). To assist in financing the Project, at the direction of the Borrower, amounts on deposit in the Indenture will be used to acquire the Fannie Mae Certificate identified in the Indenture (the “MBS”) from Fannie Mae, which MBS will be backed by a mortgage loan (the “Mortgage Loan”) from KeyBank National Association (the “Lender”) to the Borrower as evidenced by a multifamily note (the “Mortgage Note”) and secured by the Multifamily Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated as of September 12, 2023, together with all riders and exhibits (the “Mortgage”), executed by the Borrower. The MBS is to be held in trust by the Trustee and pledged under the terms of the Indenture to secure payment of the Series 2023 Bonds.

The Issuer, the Borrower, HDFC and the Trustee have entered into a Tax Regulatory Agreement, dated the date hereof (the “Regulatory Agreement”), a Certificate as to Arbitrage, and certain certificates, affidavits and instruments attached thereto, each dated as of the date hereof (the “Certificate as to Arbitrage” and collectively with the Regulatory Agreement, the “Tax Documents”), in which the Issuer, the Borrower and the HDFC have made certain representations and covenants, established certain conditions and limitations and created certain expectations, relating to compliance with the requirements imposed by the Internal Revenue Code of 1986, as amended (the “Code”). The Regulatory Agreement will be recorded in the Dutchess County Clerk’s office.

The Issuer has made certain findings and determinations based solely upon the representations and warranties of the Borrower, and without independent investigations on the part of the Issuer, to the effect that (i) the Facility is primarily designed to serve the affordable housing needs within Dutchess County, New York; and (ii) the Facility will constitute a project for which the predominant purpose will be to make available affordable, safe, clean and modern affordable housing, which but for the Facility, would not otherwise be reasonably accessible to the residents of Dutchess County.

KeyBanc Capital Markets Inc. (the “Underwriter”) has agreed to purchase the Series 2023 Bonds pursuant to the terms of a Bond Purchase Agreement, dated September 6, 2023 (the “Bond Purchase Agreement”), among the Issuer, the Underwriter and the Borrower.

The Series 2023 Bonds are dated as of September 1, 2023 (the “Closing Date”), and bear interest from the date thereof at the rates and pursuant to the respective terms of the Series 2023 Bonds. The Series 2023 Bonds are subject to prepayment or redemption prior to maturity, as a whole or in part, at such time or times, under such circumstances and in such manner as is set forth in the Series 2023 Bonds and the Indenture.

As bond counsel, we have examined originals or copies, certified or otherwise identified to our satisfaction, of such instruments, certificates and documents (including all documents constituting the Transcript of Proceedings with respect to the issuance of the Series 2023 Bonds) as we have deemed necessary or appropriate for the purposes of the opinions rendered below. In such examination, we have assumed the genuineness of all signatures, the authenticity and due execution of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion, without having conducted any independent investigation, we have relied upon, and assumed the accuracy and truthfulness of, the aforesaid instruments, certificates and documents.

Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned in Section 1.01 of the Indenture.

In rendering the opinions set forth below, we have relied upon, among other things, certain representations and covenants made by the parties in this transaction including: (i) the Borrower in (a) the Bond Purchase Agreement, (b) the Regulatory Agreement, (c) the Financing Agreement, (d) the Borrower exhibits to the Certificate as to Arbitrage, (e) the Closing Certificate of the Borrower, dated the date hereof, (f) the Multifamily Preliminary Checklist submitted to us by the Borrower, (g) the Continuing Disclosure Agreement, dated as of September 1, 2023 (the “Continuing Disclosure Agreement”) between the Borrower and the U.S. Bank Trust Company, National Association, as dissemination agent, and (h) the Official Statement, dated September 6, 2023 (the “Official Statement”) and (ii) the Issuer in (a) the Bond Purchase Agreement, (b) the Indenture, (c) the Regulatory Agreement, (d) the Certificate as to Arbitrage, (e) the Financing Agreement, and (f) the Closing Certificate of the Issuer, dated the date hereof. We call your attention to the fact that there are certain requirements with which the Issuer and the Borrower must comply after the date of issuance of the Series 2023 Bonds in order for the interest on the Series 2023 Bonds to remain excluded from gross income for Federal income tax purposes. Copies of the aforementioned documents are included in the Transcript of Proceedings.

In addition, in rendering the opinions set forth below, we have relied upon the opinions of counsel to the Issuer, Cappillino, Rothschild & Egan LLP, Pawling, New York; counsel to the Borrower, Levitt & Boccio, LLP, New York, New York; and counsel to the Trustee, Connell Foley LLP, Jersey City, New Jersey, all of even date herewith. Copies of the aforementioned opinions are contained in the Transcript of Proceedings.

Based upon and subject to the foregoing, we are of the opinion that:

1. The Issuer is a duly organized and existing corporate entity constituting a local development corporation of the State of New York.
2. The Issuer is duly authorized to issue, execute, sell and deliver the Series 2023 Bonds, for the purpose of paying the costs described above.
3. The Resolution has been duly adopted by the Issuer and is in full force and effect.
4. The Bond Purchase Agreement, the Indenture, the Regulatory Agreement and the Financing Agreement have been duly authorized, executed and delivered by the Issuer and assuming the due authorization, execution and delivery thereof by the other parties thereto, are legal, valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their respective terms.
5. The Series 2023 Bonds have been duly authorized, executed and delivered by the Issuer and are legal, valid and binding special obligations of the Issuer payable solely from the revenues derived from the Financing Agreement, enforceable against the Issuer in accordance with their respective terms.
6. The Series 2023 Bonds do not constitute a debt of the State of New York or of Dutchess County, New York, and neither the State of New York nor Dutchess County, New York, will be liable thereon.
7. The Code sets forth certain requirements which must be met subsequent to the issuance and delivery of the Series 2023 Bonds for interest thereon to be and remain excluded from gross income for Federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 2023 Bonds to be included in gross income for Federal income tax purposes retroactive to the date of issue of the Series 2023 Bonds. Pursuant to the Indenture, the Financing Agreement and the Tax Documents, the Issuer, the Borrower and the HDFC have covenanted to maintain the exclusion from gross income of the interest on the Series 2023 Bonds pursuant to Section 103 of the Code. In addition, the Issuer, the Borrower and the HDFC have made certain representations and certifications in the Indenture, the Financing Agreement and the Tax Documents. We have not independently verified the accuracy of these certificates and representations.

Under existing law and assuming compliance with the tax covenants described herein and the accuracy of the aforementioned representations and certifications of the Issuer, the Borrower and the HDFC, interest on the Series 2023 Bonds is excluded from gross income for Federal income tax purposes under Section 103 of the Code, except that no opinion is expressed as to the exclusion of interest from gross income for any period during which such Series 2023 Bonds are held by a person who, within the meaning of Section 147(a) of the Code, is a “substantial user” of the Facility or a “related person”. We are also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code with respect to individuals and corporations. For taxable years beginning after December 31, 2022, interest on the Series 2023 Bonds will be taken into account in computing the alternative minimum tax imposed on certain corporations under the Code to the extent that such interest is included in the “adjusted financial statement income” of such corporations.

8. Under existing law, interest on the Series 2023 Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision of the State of New York, assuming compliance with the tax covenants and the accuracy of the representations and certifications described in paragraph 7 hereof.

Except as stated in paragraphs 7 and 8, we express no opinion as to any other Federal, state or local tax consequences of the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2023 Bonds. Furthermore, we express no opinion as to any Federal, state or local tax law consequences with respect to the Series 2023 Bonds, or the interest thereon, (i) if any action is taken with respect to the Series 2023 Bonds or the proceeds thereof upon the advice or approval of other counsel, or (ii) if pursuant to the Fannie Mae Rider to the Regulatory Agreement (the “Rider”), the requirements of the Regulatory Agreement terminate on a date earlier than as otherwise provided in the Regulatory Agreement.

The foregoing opinions are qualified to the extent that the enforceability of the Series 2023 Bonds, the Bond Purchase Agreement, the Indenture, the Financing Agreement and the Regulatory Agreement may be limited by bankruptcy, insolvency or other laws or enactments now or hereafter enacted by the State of New York or the United States affecting the enforcement of creditors' rights and by restrictions on the availability of equitable remedies and to the extent, if any, that enforceability of the indemnification provisions of such documents may be limited under law. We express no opinion with respect to the availability of any specific remedy provided for in any of the bond documents.

In rendering the foregoing opinions, we are not passing upon and do not assume any responsibility for the accuracy, completeness, sufficiency or fairness of any documents, information or financial data supplied by the Issuer, the Borrower or the Trustee in connection with the Series 2023 Bonds, the Bond Purchase Agreement, the Indenture, the Financing Agreement, the Regulatory Agreement, the Certificate as to Arbitrage, the Official Statement, the Continuing Disclosure Agreement or the Project and make no representation that we have independently verified the accuracy, completeness, sufficiency or fairness of any such documents, information or financial data. In addition, we express no opinion herein with respect to the accuracy, completeness, sufficiency or fairness of the Official Statement, with respect to the Series 2023 Bonds.

We express no opinion herein with respect to the registration requirements under the Securities Act of 1933, as amended, the registration or qualification requirements under the Trust Indenture Act of 1939, as amended, the registration, qualification or other requirements of State Securities laws or the availability of exemptions therefrom.

We express no opinion as to the sufficiency of the description of the Project contained in the Financing Agreement or as to the adequacy, perfection or priority of any security interest in any collateral securing the Series 2023 Bonds.

Furthermore, we express no opinion as to the Continuing Disclosure Agreement. We express no opinion with respect to whether the Issuer and the Borrower (i) have complied with the State Environmental Quality Review Act, (ii) have obtained any or all necessary governmental approvals, consents or permits, or (iii) have complied with the New York Labor Law or other applicable laws, rules, regulations, orders and zoning and building codes, all in connection with the renovation, construction, equipping, furnishing and operation of the Project.

The opinions expressed herein may be relied upon by the addressees and may not be relied upon by any other person without our prior written consent.

Very truly yours,

## **APPENDIX J FANNIE MAE SUSTAINABLE FRAMEWORK**

### **General**

The Fannie Mae framework for its social, green, and sustainable mortgage-backed securities (the “Fannie Mae Sustainable Framework”), in effect as of the date hereof, provides opportunities for social, green, or sustainable investing, increasing the positive impact on social and green issues throughout the United States multifamily housing market. The Fannie Mae Sustainable Framework addresses the four components of the International Capital Markets Association (“ICMA”) Social Bond Principles, Green Bond Principles and the union of both as outlined in the Sustainability Bond Guidelines, as well as their recommendation on the use of external reviews and impact reporting. The Fannie Mae Sustainable Framework can be found via the following link: <https://capitalmarkets.fanniemae.com/media/20616/display>. The Fannie Mae Sustainable Framework may be modified or eliminated at any time in Fannie’s discretion and the current Fannie Mae Sustainable Framework may not be applicable to the MBS at the time the mortgage loan backing the MBS is originated.

Fannie Mae has received a Second Party Opinion (SPO) on the Fannie Mae Sustainable Framework from Sustainalytics, an independent provider of Environmental, Social and Governance (ESG) and corporate governance research and ratings. The SPO can be found via the following link: <https://capitalmarkets.fanniemae.com/media/20621/display>.

### **Use of Proceeds**

MBS designated under the Fannie Mae Sustainable Framework include multifamily MBS designated as Social, Green, or Sustainable, based on which eligibility criteria are met, and are expected to finance assets that align to the ICMA project categories, as described in the Fannie Mae Sustainable Framework. Fannie Mae’s national network of Delegated Underwriting and Servicing (DUS®) lender partners provide mortgage loans to commercial real estate owners for the acquisition or refinance of multifamily properties. These loans are secured by several types of multifamily properties, including apartment buildings, manufactured housing communities, seniors housing, dedicated student housing, affordable housing, and cooperatives. Fannie Mae will acquire mortgage loans backed by properties meeting the social, green, and/or sustainable eligibility criteria (as described below) under the Fannie Mae Sustainable Framework and securitize those mortgage loans into an MBS with the applicable designation. For the Social MBS designation, the property must meet at least one of the Social criteria (Restricted Affordable Housing, Unrestricted Affordable Housing, Manufactured Housing Communities and Healthy Housing Rewards). For the Green MBS designation, the property must meet at least one of the Green criteria (Green Building Certification and Green Rewards). For the Sustainable MBS designation, the property must meet at least one of the Social criteria and one of the Green criteria.

### **Eligibility and Project Evaluation**

Loans purchased by Fannie Mae from its DUS lenders will be Eligible Assets under the Fannie Mae Sustainable Framework if they:

- Conform to the Multifamily Selling and Servicing Guide requirements;
- Conform to additional requirements documented in Fannie Mae Forms;
- Contain all required modification and exhibits to the Loan Agreement/Financing Agreement; and
- Meet at least one of the eligibility criteria set forth in the Fannie Mae Sustainable Framework.
  - For Social MBS, meet at least one social criterion at loan origination;
  - For Green MBS, meet at least one green criterion at loan origination; or

- For Sustainable MBS, meet at least one of each of the social and green criteria at loan origination.

## Social Criteria

**Restricted Affordable Housing:** A Restricted Affordable Housing loan is available on a Multifamily Affordable Housing (“MAH”) property which is encumbered by a regulatory agreement. The property must provide rent-restricted housing subsidized by one or more various government programs including Low-Income Housing Tax Credits (“LIHTC”), the U.S. Department of Housing and Urban Development’s Section 8 program, and state and local housing incentive initiatives. The rent or income restrictions on the property must meet or exceed one of the following:

- 20% @ 50%: at least 20% of all units have rent or income restrictions in place making them affordable to households earning no more than 50% of area median income (“AMI”) as adjusted for family size;
- 40% @ 60%: at least 40% of all units have rent or income restrictions in place making them affordable to households earning no more than 60% of AMI as adjusted for family size (except for New York City, where at least 25% of all units have rent or income restrictions in place, making them affordable to households earning no more than 60% of AMI as adjusted for family size);
- Section 8 Housing Assistance Payments (HAP) contract: at least 20% of all units are subject to a project-based HAP contract;
- Special Public Purpose: the property is:
  - subject to an affordable regulatory agreement imposed by a government entity, containing other rent and/or income restrictions;
  - has rent or income restrictions that meet or exceed 20% @ 80%: at least 20% of all units have rent or income restrictions in place making them affordable to households earning no more than 80% of AMI as adjusted for family size;
  - with rent not exceeding 30% of the adjusted AMI; and
  - meets a noteworthy special public purpose; or
- Self-Imposed Restrictions: the borrower may voluntarily self-impose rent and income restrictions to preserve multifamily affordable housing. These restrictions must:
  - be placed on record against the property;
  - remain in place during the mortgage loan term;
  - be certified annually by the borrower and a third-party administering agent; and
  - be monitored by the lender to ensure the property’s compliance.

**Unrestricted Affordable Housing:** In order to meet the needs of workforce households across the spectrum, Fannie Mae provides financing for market-rate units that do not receive support from government housing programs, but still offer affordable rents in their local markets. These units are generally in class B or C properties that may provide affordable rents due to the age, condition or location of the asset. For a property to qualify as Unrestricted Affordable Housing, at least 80% of all units must be affordable to households earning no more than 120% of AMI.

**Manufactured Housing Communities (MHC):** Manufactured housing continues to be an important part of the affordable housing stock, both for owners and renters. The median annual household income of manufactured home residents who own their homes is approximately \$35,000, half of the median annual income of site-built homeowners. For renters of manufactured housing, over one-third earn less than \$20,000 per year. In order to support this

community, Fannie Mae provides financing for owners of MHC sites in which the individual pad sites are leased to owners of manufactured homes. Through its program requirements, Fannie Mae seeks to influence the quality and affordability of these communities. Additional support is available for:

- Communities that implement Tenant Site Lease Protections for at least 25% of the Sites, limiting the annual rent increases for tenants; and
- Communities owned by a non-profit entity.

The percentage of park-owned homes generally may not exceed 35%. Density is based on market norms and generally should not exceed 12 Manufactured Homes per acre for an existing community and seven Manufactured Homes per acre for a new community. With limited exceptions, all Manufactured Homes should conform to applicable Manufactured Housing (MH) Housing and Urban Development (HUD) Code standards.

Healthy Housing Rewards: The Healthy Housing Rewards initiative provides financial incentives for borrowers who incorporate health-promoting design features and practices or resident services in their newly constructed or rehabilitated multifamily affordable rental properties. Properties can follow one of two pathways:

- **Healthy Design:** Properties that are designed to encourage physical activity, healthy eating and improved air quality - such as playgrounds, community gardens and tobacco-free policies. Properties must meet or exceed the minimum certification standards of the Fitwel® Certification System which is operated by the Center for Active Design.
- **Resident Services:** Borrowers must become (or partner with) a Certified Organization for Resident Engagement & Services (CORES) certified sponsor and obtain Enhanced Resident Services (ERS) certification for their property. The certifications are operated by Stewards for Affordable Housing for the Future. Borrowers who incorporate a system of resident services for their tenants, such as health and wellness services, work and financial capability support, and child education and academic support.

**Healthy Design Qualification Process.** If the property meets Healthy Design affordability criteria, the borrower reviews the Fitwel Multifamily Residential Scorecard (available at <https://fitwel.org/resources>) to determine if the property can meet or exceed minimum certification standards of the Fitwel Certification System. The borrower registers the property on the Fitwel Portal (<http://www.fitwel.org> or <app.fitwel.org>), completes the Fitwel Scorecard, uploads all required documentation and submits the property for review. If the property is an existing building that has already incorporated healthy design elements, the borrower will obtain the “Built” certification. If the property is new construction or undergoing renovation to incorporate healthy design elements, the borrower will obtain the “Design” certification by mortgage loan closing and the “Built” certification after improvements are complete.

## **Green Criteria**

Fannie Mae offers two Green Mortgage Loan products through its Multifamily DUS business:

Green Building Certification: To be eligible for a Green Building Certification loan, a property must have been awarded a certification recognized by Fannie Mae. There are currently 35 different certifications from 12 different issuing organizations that are recognized.

Green Rewards: To be eligible for a Green Rewards Mortgage Loan, the borrower must commit to install energy and water efficiency measures that are projected to reduce whole property energy and water consumption combined by at least 30%, inclusive of a minimum of 15% reduction in energy consumption. Energy consumption reduction may be met through a combination of renewable energy generation and energy efficiency.

Green Rewards Program Requirements and Reporting: Projects that qualify for a Green Rewards loan contain energy and water efficiency measures (“EWEMs”) that are projected to reduce the entire property’s annual energy and/or water consumption by at least 30%, inclusive of at least 15% reduction through a combination of renewable energy generation and/or energy consumption reduction. Eligible EWEMs include: solar photovoltaic systems; energy

efficient heating, ventilation, and air conditioning (HVAC) systems; energy efficient boilers; energy efficient lighting, such as LED; control technologies, such as smart thermostats in each residential unit and Building Management systems (BMS) for central building control; water efficient fixtures including low-flow toilets and faucets; energy efficient appliances such as ENERGY STAR® refrigerators; and energy saving improvements such as adding insulation, low U-factor and low solar heat gain coefficient (SHGC) windows, light reflective roofing, etc.

Securing the Green MBS designation on a Green Rewards loan requires the Lender to complete a High-Performance Building Report that meets ASHRAE (American Society of Heating, Refrigerating and Air-Conditioning Engineers) Level II and Fannie Mae standards, using a qualified independent High Performance Building (HPB) consultant. The report informs the borrower of opportunities at the Project to save energy and water, and provides the list from which the borrower must select improvements that are expected to reduce the whole property's annual energy and/or water consumption by at least 30%, inclusive of at least 15% energy savings through a combination of renewable energy generation and/or energy consumption reduction to qualify.

At the time of closing the loan, the borrower must commit to report to Fannie Mae annually the property's energy and water performance including the ENERGY STAR Score Source Energy Use Intensity (EUI), US EPA Water Score, and Water Use Intensity (WUI). The Lender must submit the HPB Report to Fannie Mae at the time of loan delivery, which will occur after locking the rate and closing the loan with the borrower.

Fannie Mae has established governance and risk management procedures that ensure frequent and comprehensive audits of consultants, reports, and property performance data. Audits are results-based and include site visits for verification. If buildings or consultants fail to meet the criteria, there is a mechanism to remove them from eligibility. Information related to Fannie Mae Green Financing is available at <https://multifamily.fanniemae.com/financing-options/specialty-financing/green-financing>.

CICERO Second Opinion. In June 2018, Fannie Mae engaged the Center for International Climate and Environmental Research ("CICERO") to review its Green Financing Framework. CICERO issued its Second Opinion and found that the framework aligns with the ICMA Green Bond Principles, an internationally recognized standard for green bonds. CICERO recognized Fannie Mae for well-established governance and risk management procedures, internal annual review and revision by the Green Financing Business Team, transparent reporting procedures and in-house technical expertise and tools. CICERO's Second Opinion can be found at [https://multifamily.fanniemae.com/sites/g/files/koqyhd161/files/migrated-files/content/fact\\_sheet/green-bond-second-opinion.pdf](https://multifamily.fanniemae.com/sites/g/files/koqyhd161/files/migrated-files/content/fact_sheet/green-bond-second-opinion.pdf).

Measurement and Verification. Fannie Mae has implemented a service for borrowers and lenders to streamline and simplify the annual reporting of energy and water performance data. Fannie Mae has engaged a service provider, Bright Power, to provide measurement and, with respect to Green Rewards loans, verification services related to Fannie Mae Green MBS to assist lenders and borrowers in measuring annual energy and water performance. Additional information on this service is available at <https://multifamily.fanniemae.com/sites/g/files/koqyhd161/files/migrated-files/content/faq/mf-green-measurement-verification-service-borrower.pdf>.

## **Management of Proceeds**

Multifamily MBS under the Fannie Mae Sustainable Framework are generally backed by an individual loan originated by one of Fannie Mae's DUS lenders in compliance with Fannie Mae's published DUS origination and servicing standards and whose collateral property meets one of the eligibility criteria defined in the Fannie Mae Sustainable Framework. The management of the proceeds from these securities are consistent across Fannie Mae's securitization program. Fannie Mae commits to acquire the mortgage loans from the lenders if they conform to all requirements stated in Fannie Mae's Selling Guides. Once acquired, Fannie Mae securitizes the loan into a fully guaranteed MBS and the MBS is auctioned to the general MBS investor community. The proceeds from the sale of the MBS will finance the acquisition or refinancing of a property that must also meet one of the eligibility criteria set in the Fannie Mae Sustainable Framework.



## Reporting

Fannie Mae's multifamily business publishes data both at-issuance and ongoing for its MBS through a web-based system called [DUS Disclose](#)<sup>®</sup>. Through DUS Disclose, investors can obtain comprehensive information about multifamily securities including the performance of the loans backing multifamily MBS and financial information at the property level. DUS Disclose provides the following features: (1) At-issuance and ongoing disclosure documents and data that align with the industry; (2) Detailed property financial statement disclosure; (3) Security, loan, and property information in a downloadable format; (4) Available active and terminated security information; and (5) A user-friendly interface. DUS Disclose users can search a multifamily pool number or CUSIP on the website or use the advanced search feature. This search feature allows investors to customize a downloadable search result including extensive pool information such as factors, loan details, and weighted-average statistics. Fannie Mae's disclosure system also includes certain affordability and green data that is required to be reported by multifamily borrowers using Fannie Mae's financing products including the percentage of units at a MAH property falling into certain AMI brackets as well as the multiple green disclosure fields outlined in the Fannie Mae Sustainable Framework. In addition, the property type of every financed asset is disclosed as well as the specific address information needed to determine the local area's economic composition.

Fannie Mae is committed to providing extensive disclosure on MBS under the Fannie Mae Sustainable Framework to enable investors to evaluate the performance of each property. Fannie Mae publishes multifamily MBS disclosure files that feed third-party sites such as Bloomberg, Intex, and eMBS. Some third-party data providers include ESG-related disclosures. For example, Bloomberg's current MBS disclosure screens for multifamily MBS includes fields disclosing the percentage of units at the property that are affordable to renters earning no more than 60% of AMI, if the property is a manufactured housing community, and if it is also part of Fannie Mae's Green Financing program. These fields enable investors to quickly determine if a bond meets their portfolio requirements. Fannie Mae continues to work with these data providers in order to help investors with a Socially Responsible Investment (SRI) mandate to determine the appropriateness of MBS under the Fannie Mae Sustainable Framework as a part of their investment portfolio.

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**APPENDIX K**  
**PROPOSED FORM OF OPINION OF ISSUER COUNSEL**

*Upon the issuance of the Bonds, Cappillino Rothschild & Egan LLP, Counsel for the Issuer, proposes to issue an opinion in substantially the following form:*

September 12, 2023

Dutchess County Local Development Corporation  
Three Neptune Road  
Poughkeepsie, New York 12601

U.S. Bank Trust Company, National Association, as Trustee  
333 Thornall Street, 4th Floor  
Edison, New Jersey 08837

KeyBanc Capital Markets Inc., as Underwriter  
88 East Broad Street, 7th Floor  
Columbus, Ohio 43215

Tompkins Terrace Housing, L.P.  
c/o Related Companies  
30 Hudson Yards, 72nd Floor  
New York, New York 10001

Re: \$24,180,000 Dutchess County Local Development Corporation  
Multifamily Tax-Exempt Mortgage-Backed Bonds (M-TEBS) (SOCIAL)  
Series 2023 (Tompkins Terrace Housing, L.P. Project)

Ladies and Gentlemen:

We have acted as counsel to Dutchess County Local Development Corporation (the “Issuer”) (a public instrumentality of Dutchess County, New York) in connection with the preparation of the following:

(A) a certain resolution adopted by the members of the Board of Directors of the Issuer on July 12, 2023 (the “Bond Resolution”) authorizing the issuance, execution, sale and delivery of the Issuer’s Multifamily Tax-Exempt Mortgage-Backed Bonds (M-TEBS) (SOCIAL) Series 2023 (Tompkins Terrace Housing, L.P. Project), in the aggregate principal amount of \$24,180,000 (the “Bonds”) issued for the purpose of assisting in providing financing for the “Project” (this term and other capitalized terms used in this opinion and not otherwise defined herein shall have the meanings ascribed to them in the hereinafter described Indenture);

(B) a certain Indenture of Trust dated as of September 1, 2023 (the “Indenture”) by and between the Issuer and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”) for the holders from time to time of the Bonds issued by the Issuer pursuant to the Indenture;

(C) a certain Financing Agreement dated as of September 1, 2023 (the “Financing Agreement”) by and between the Issuer, as lender, and Tompkins Terrace Housing, L.P. (the “Borrower”), as borrower, pursuant to which the Issuer will make a loan to the Borrower of the proceeds of the Bonds (the “Loan”) to finance the acquisition, construction and equipping of the Project;

(D) a certain Bond Purchase Agreement (the “Bond Purchase Agreement”) dated September 6, 2023 by and among KeyBanc Capital Markets Inc. (the “Underwriter”), the Borrower and the Issuer, pursuant to which the Bonds will be purchased by the Underwriter; and

(E) a certain preliminary official statement (the “Preliminary Official Statement”) and a certain official statement (the “Official Statement”) delivered in connection with the sale of the Bonds;

all in connection with the issuance by the Issuer of the Bonds for the purpose of financing the cost of the Project.

We have, as counsel to the Issuer, examined original or certified copies of the proceedings of the Issuer taken with respect to the Bonds, as well as certificates of the Issuer’s officers, a certified copy of the Bond Resolution, a photocopy of the executed Bonds, the Preliminary Official Statement, the Official Statement and executed counterparts of the Indenture, the Financing Agreement, the Information Return and the Bond Purchase Agreement, (collectively, the “Issuer Documents”). We have also examined such statutes, court decisions, proceedings and other documents as we have considered necessary or appropriate in the circumstances to render the following opinions.

In our examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with the original documents of all documents submitted to us as copies. Furthermore, in rendering the following opinions, we have assumed that all documents executed by a person or persons other than the Issuer have been duly executed and delivered by said other person or persons and that said documents, to the extent they create obligations, constitute legal, valid and binding obligations of said person or persons enforceable against said person or persons in accordance with their terms.

Based upon our examination of the foregoing, and in reliance upon the matters and subject to the limitations contained in the concluding paragraphs of this opinion, we are of the opinion (except that no opinion is given with respect to any federal or state securities law or any law concerning zoning or subdivision matters or as to the law of any jurisdiction other than the State of New York) that:

1. The Issuer is a New York not-for-profit corporation, created pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York, as amended (the “Enabling Act”). Pursuant to the provisions of the Enabling Act, Revenue Ruling 57-187 and Private Letter Ruling 200936012, the County Legislature of Dutchess County, New York (the “County”) adopted a resolution on April 12, 2010 (the “Sponsor Resolution”) (A) authorizing the incorporation of the Issuer under the Enabling Act and (B) appointing the initial members of the board of directors of the Issuer, subject to the approval of the County Executive of Dutchess County. In April, 2010, a certificate of incorporation was filed with the New York Secretary of State’s Office (the “Certificate of Incorporation”) creating the Issuer as a public instrumentality of the County.

2. Under the Enabling Act, it is the purpose of the Issuer to relieve and reduce unemployment, promote and provide for additional and maximum employment, better and maintain job opportunities, and lessen the burdens of government and act in the public interest, and in carrying out the aforesaid purposes and in exercising the powers conferred in the Enabling Act, the Enabling Act declares that the Issuer will be performing essential governmental functions. In accordance with the Enabling Act, the Issuer has determined to issue the Bonds and to use the proceeds thereof to make the Loan to the Borrower pursuant to the Financing Agreement.

3. The members of the Board of Directors of the Issuer (and the officers of the Issuer) identified in the Issuer’s general certificate delivered on this date have been duly appointed as such directors by the County Legislature of the County and approved by the County Executive of the County (and duly elected by the Board of Directors as such officers) and are qualified to serve as such.

4. The Issuer has power and lawful authority under the Enabling Act to execute and deliver the Issuer Documents; to borrow the amount of money provided for by the Issuer Documents for its corporate purposes; to issue and sell the Bonds as provided for in the Issuer Documents in order to evidence such borrowing; to make the Loan to the Borrower out of funds available for such purpose under the Issuer Documents; to authorize the Borrower to apply the proceeds of the Loan to finance a portion of the costs incurred in connection with the Project, together with other costs incidental thereto and to the issuance of the Bonds; to pledge a security interest to the Trustee as set forth in the Indenture; and to perform and observe the provisions of the Issuer Documents and the Bonds on its part to be performed and observed.

5. The Bond Resolution has been duly adopted by the members of the Board of Directors of the Issuer, complies with the procedural rules of the Issuer and the requirements of the laws of New York, and the Bond Resolution has not been supplemented, amended, or repealed and remains in full force and effect on the date hereof.

6. By the Bond Resolution, the Issuer has duly authorized the making of the Loan to the Borrower, the execution and delivery of the Issuer Documents and the issuance, execution, sale and delivery of the Bonds.

7. The making and performance by the Issuer of the Issuer Documents and the consummation of the transactions on the part of the Issuer therein contemplated will not violate any applicable provision of any applicable law, regulation, decree, writ, order or injunction or any applicable provision of the Enabling Act, and will not contravene the provisions of or constitute a default under any material term of any agreement, indenture, bond resolution or other instrument to which the Issuer is a party or by which the Issuer is bound; provided, however, that no opinion is expressed as to the terms of laws, regulations, rules, judgments or orders with respect to the physical acquisition, construction, installation, occupancy or operation of the Project.

8. The Issuer Documents have been duly authorized by all necessary action on the part of the Issuer, have been duly executed and delivered by authorized officers of the Issuer, and, assuming the due authorization, execution and delivery of same by the other parties thereto, constitute legal, valid and binding special obligations of the Issuer.

9. The Bonds have been duly authorized, executed and delivered by the Issuer and, assuming due authentication of the Bonds by the Trustee, constitute legal, valid and binding special obligations of the Issuer.

10. No additional or further consent, authorization or approval of, or filing or registration with, any governmental or regulatory body not already obtained is required for the making and performance by the Issuer of the Issuer Documents or the Bonds or for the performance by the Issuer of the transactions contemplated thereby; provided, however, that no opinion is expressed as to the terms of laws, regulations, rules, judgments or orders with respect to the physical acquisition, construction, installation, occupancy or operation of the Project.

11. To the best of our knowledge, there is no litigation pending or threatened in any court, either state or federal, calling into question the creation, organization or existence of the Issuer, the validity of the Bonds or any of the other Issuer Documents or to enter into or perform the Issuer Documents or the Bonds, although we have not undertaken a search to determine if any action or proceeding has been commenced against the Issuer by filing for which service upon any officer of the Issuer has not yet been made.

12. The Issuer has duly authorized the inclusion in the Preliminary Official Statement and Official Statement of the information relating to the Issuer under the caption "THE ISSUER" and, to the extent the information therein relates to the Issuer, under the caption "NO LITIGATION". The distribution of the Preliminary Official Statement and Official Statement has been duly approved by the Issuer. After reasonable investigation, nothing has come to our attention which would lead us to believe that the information in the Preliminary Official Statement and Official Statement relating to the Issuer under the caption "THE ISSUER" and, to the extent the information therein relates to the Issuer, under the caption "NO LITIGATION" contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements, in light of the circumstances in which they were made, not misleading.

Any opinion concerning the validity, binding effect or enforceability of any document (A) means that (1) such document constitutes an effective contract under applicable law, (2) such document is not invalid in its entirety under applicable law because of a specific statutory prohibition or public policy, and is not subject in its entirety to a contractual defense under applicable law and (3) subject to the following sentence, some remedy is available under applicable law if the person concerning whom such opinion is given is in material default under such document, but (B) does not mean that (1) any particular remedy is available under applicable law upon such material default or (2) every provision of such document will be upheld or enforced in any or each circumstance by a court applying applicable law. Furthermore, the validity, binding effect or enforceability of any document may be limited to or otherwise affected by (A) any applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar statute, rule, regulation or other law affecting the enforcement of creditors' rights and remedies generally or (B) the unavailability of, or any limitation on the availability of, any particular right or remedy (whether

in a proceeding in equity or law) because of the discretion of a court or because of any equitable principle or requirement as to commercial reasonableness, conscionability or good faith.

We express no opinion with respect to (A) title to all or any portion of the Project, (B) the priority of any liens, charges, security interests or encumbrances affecting the Project or any part thereof (or the effectiveness of any remedy which is dependent upon the existence of title to the Project or the priority of any such lien, charge, security interest or encumbrance), (C) any laws, regulations, judgments, permits or orders with respect to zoning, subdivision matters or requirements for the physical commencement and continuance of the construction, reconstruction, installation, occupancy or operation of the Project or with respect to the requirement of filing or recording of any of the Financing Documents, or (D) the laws of any jurisdiction other than the State of New York and the tax laws of the United States of America.

Insofar as the foregoing opinions express or involve conclusions as to compliance by the Issuer with the provisions of Article Eight of the Environmental Conservation Law of the State of New York, we have relied upon (A) the accuracy of the statements and assertions contained in the environmental assessment form verified by a representative of the Borrower and submitted to the Issuer with respect to the Project, and (B) the accuracy of the conclusions contained in the Bond Resolution; provided, however, that we are not passing upon nor do we assume any responsibility for the accuracy, completeness, or fairness of the statements, information or conclusions contained in the foregoing and we make no representation that we have independently verified the accuracy, completeness, or fairness of any such statements, information or conclusions.

Except as otherwise provided herein, we express no opinion with respect to whether the Borrower has complied with the State Environmental Quality Review Act, whether the Borrower has obtained any necessary governmental permits, consents or permits or complied with the New York Labor Law or other applicable laws, rules and regulations or zoning or building codes in connection with the acquisition, construction, equipping and operation of the Project and the financing provided by the Issuer to the Borrower.

In rendering this opinion letter, we have assumed: (i) the legal capacity of natural persons, (ii) the authenticity of all documents submitted to us as originals, (iii) the authenticity of all signatures provided by facsimile transmission; (iv) the genuineness of all signatures not executed in my presence; (v) the conformity to the originals of all documents submitted to us as certified or reproduced copies; (vi) no change has been made to the transaction documents prior to their execution other than changes requested by us or specifically called to our attention in writing; (vii) the validity of all applicable statutes, ordinances, rules and regulations, and (viii) the proper indexing and accuracy of all public records and documents.

Our opinions expressed herein are limited to the date hereof and we do not in any event undertake to advise you of any facts or circumstances occurring or coming to our attention subsequent to the date hereof.

We adopt for purposes of this opinion and incorporate herein by reference the following assumptions, qualifications and limitations:

1. We assume that any party seeking to enforce any agreement will do so in a commercially reasonable manner and in good faith;

2. The enforceability of any agreement is subject to the effect of applicable bankruptcy and insolvency, reorganization, moratorium and other similar laws now existing or hereafter enacted relating to or affecting the enforcement of creditors' rights, generally, including, but not limited to laws relating to fraudulent transfers or conveyances, and to emphasize these inclusions, the above opinion as the validity and enforceability of the guaranties is expressly limited as it relates to issues raised in this clause (2);

3. The enforceability of any agreement is subject to limitations based on general principles of equity (regardless of whether such enforceability is considered a proceeding in equity or at law);

4. The enforceability of any agreement is subject to limitations based on public policy limiting a party's right to waive the benefit of statutory or common law provisions;

5. The enforceability of any agreement is subject to limitations based on judicial decisions which may modify or affect the remedial provisions provided in any Issuer Document or which may invalidate waivers of certain legal rights;

6. The phrase “enforceable in accordance with its terms” may not include the availability of the remedy of specific performance, the remedy of injunctive relief or the appointment of a receiver as a matter of right, as such matters are subject to the discretion of the court before which any proceeding may be brought; and

7. No opinion is expressed as to the enforceability of any provision (i) restricting access to legal or equitable remedies, (ii) purporting to grant exclusive jurisdiction in any court, (iii) purporting to waive personal service with any judicial process, (iv) purporting to waive trial by jury, (v) permitting the concurrent pursuit of alternative remedies, (vi) specifying what law should be applicable to the construction of any agreement, (vii) providing for non-judicial self-help remedies, (viii) waiving any claims for damages that may be available to the Issuer, and (ix) establishing by agreement, the time at which, and the circumstances pursuant to which a party is entitled to have a judgment entered in connection with any judicial process.

We furnish this opinion as counsel for the Issuer solely for the purposes contemplated by the Issuer Documents. The opinions expressed hereby may be relied upon only by you and only in connection with the issuance of the Bonds and the transactions contemplated therein. Our opinion may not be used, quoted from, referred to or be relied upon by you or by any other person for any other purpose, nor may copies be delivered to any other person, without in each instance our prior written consent; except that this opinion may be included in the record of proceedings for the Bonds and that you may deliver copies of this opinion to: (a) your independent accountants, attorneys and other professional advisors acting on your behalf in connection with the issuance of the Bonds and the transactions contemplated hereby; (b) governmental regulatory agencies having jurisdiction over you to the extent disclosure of the opinion is required by applicable law or regulation; and (c) designated persons pursuant to order or legal process of any court or governmental agency or authority of competent jurisdiction. We shall have no obligation to revise or reissue this opinion with respect to any change in law or any event, fact, circumstance or transaction which occurs after the date thereof. In addition, we express no opinion with respect to any issue arising out of or related to any subsequent transaction.

This opinion is rendered as of the date hereof, and no opinion is expressed as to matters referred to herein on any subsequent date. This opinion may not be relied upon by, nor may a copy hereof be given to, any person or entity other than the addresses hereof without our express written consent.

Very truly yours,

CAPPILLINO, ROTHSCHILD & EGAN LLP

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