



10400 Detrick Avenue
 Kensington, Maryland 20895
 240-627-9425

EXPANDED AGENDA
SPECIAL SESSION – March 26, 2021

			Res #
12:00 p.m.	<u>SPECIAL SESSION MEETING</u>		
Page 03	I. <u>ITEMS REQUIRING DELIBERATION and/or ACTION</u> A. Amendment to the Series Indenture for the Multifamily Housing Development Bonds 2021 Series A to Clarify Certain Provisions of the Indenture		21-35 (pg 06)
1:00 p.m.	<u>ADJOURN</u>		

NOTES:

1. This Agenda is subject to change without notice.
2. Public participation is permitted on Agenda items in the same manner as if the Commission was holding a legislative-type Public Hearing.
3. *Times are approximate and may vary depending on length of discussion.*

If you require any aids or services to fully participate in this meeting, please call (240) 627-9425 or email commissioners@hocmc.org.

Date Posted: March 24, 2021

Deliberation and/or Action

AMENDMENT TO THE SERIES INDENTURE FOR THE MULTIFAMILY HOUSING DEVELOPMENT BONDS 2021 SERIES A TO CLARIFY CERTAIN PROVISIONS OF THE INDENTURE

March 26, 2021

- On December 9, 2020, the Commission adopted Resolution 20-87B, which authorized the issuance of 2021 Series A Multifamily Housing Development Bonds (the “2021 A Bonds”) in the 1996 Bond Resolution (the “1996 Indenture”) in the amount of \$99.25 million for the purpose of refunding the PNC Bank, N.A. tax-exempt loan in order to use the recycled proceeds to finance the acquisition and development of Westside Shady Grove Apartments. Closing on the 2021 A Bonds occurred on January 28, 2021.
- The 2021 A Series Indenture (the “Series Indenture”) provides that the 2021 A Bonds shall be secured solely by the proceeds thereof or funds on deposit in the funds and accounts created under the Series Indenture and not by any other moneys, funds or accounts held under the 1996 Indenture.
- At the request of U.S. Bank National Association, the Trustee of the Series Indenture and 1996 Indenture, to cure any ambiguity in the Series Indenture, staff along with Barclay Damon, LLP (the Commission’s Bond Counsel for the Westside Shady Grove transaction), and Caine Mitter and Associates Incorporated (the Commission’s Financial Advisor), recommends clarifying in the Series Indenture the manner in which bond interest is calculated and notice of mandatory redemption is given to bondholders.
- Section 2.05(b) of the Series Indenture shall be amended and restated to include the following language in boldface type: “The amount of interest payable on the 2021 Series A Bonds on each Interest Payment Date shall be the amount of interest which shall have accrued on the 2021 Series A Bonds during the second calendar month preceding the Interest Payment Date, except that the interest payable on the first Interest Payment Date shall accrue from the date of delivery of the 2021 Series A Bonds through February 28, 2021.” This language clarifies for the Trustee that bond interest will have a one-month lag after the due date of the mortgage loan.
- Section 2.08(g) of the Series Indenture shall be amended and restated to include the following language in boldface type: “Notwithstanding Section 3.02 of the Trust Indenture and any provision in this Series Indenture to the contrary, no notice of redemption shall be given as to the date or amount of mandatory redemption pursuant to Section 2.08(a) hereof.” This language clarifies for the Trustee that no notice of redemption is required to be given for mandatory redemption of the 2021 A Bonds.

MEMORANDUM

TO: Housing Opportunities Commission of Montgomery County

VIA: Stacy L. Spann, Executive Director

FROM: Staff: Kayrine V. Brown Division: Executive Ext. 9589
Jennifer H. Arrington Mortgage Finance Ext. 9760

RE: Amendment to the Series Indenture for the Multifamily Housing Development Bonds 2021 Series A to Clarify Certain Provisions of the Series Indenture

DATE: March 26, 2021

STATUS: Consent Deliberation Status Report Future Action

OVERALL GOAL & OBJECTIVE:

To obtain approval of the First Amendment to the Series Indenture (HOC 2021 Series A), separately secured in the Multifamily Housing Development Bond Resolution (the “1996 Master Indenture”), to clarify any ambiguity concerning interest payments and notice of mandatory redemption to the bondholders.

BACKGROUND:

On December 9, 2020, the Housing Opportunities Commission of Montgomery County (the “Commission”) adopted Resolution 20-87B, which authorized the issuance of 2021 Series A Multifamily Housing Development Bonds (the “2021 A Bonds”) in the 1996 Bond Resolution (the “1996 Indenture”) in the amount of \$99.25 million for the purpose of refunding the PNC Bank, N.A. tax-exempt loan in order to use the recycled proceeds to finance the acquisition and development of Westside Shady Grove Apartments (“WSSG”). The bonds were sold on January 20, 2021 and the transaction closed on January 28, 2021 (the “Closing Date”) with a FHA Risk Sharing Insured pass-through structure.

The 2021 A Series Indenture (the “Series Indenture”) provides that the 2021 A Bonds shall be secured solely by the proceeds thereof or funds on deposit in the funds and accounts created under the Series Indenture and not by any other moneys, funds or accounts held under the 1996 Indenture.

At the request of U.S. Bank National Association, the Trustee of the Series Indenture and the 1996 Indenture, to cure any ambiguity in the Series Indenture, staff along with Barclay Damon, LLP (the Commission’s Bond Counsel for the WSSG transaction), and Caine Mitter and Associates Incorporated (the Commission’s Financial Advisor), recommends clarifying the Series Indenture.

Section 2.05(b) of the Series Indenture shall be amended and restated to include the following language in boldface type: “The amount of interest payable on the 2021 Series A Bonds on each Interest Payment Date shall be the amount of interest which shall have accrued on the 2021 Series A Bonds during the second calendar month preceding the Interest Payment Date, except that the interest payable on the first Interest Payment Date shall accrue from the date of delivery of the 2021 Series A Bonds through February 28, 2021.”

This language clarifies for the Trustee the amount of interest that is payable to bondholders, in that bond interest will have a one-month lag after the due date of the mortgage loan. Therefore, with the first mortgage loan payment due March 1, 2021 for the period from the Closing Date to February 28, 2021 (33 days using a 360-day count), the first bond interest payment will be due a month later on April 1, 2021 for the same period, as the first mortgage loan payment.

Section 2.08(g) of the Series Indenture shall be amended and restated to include the following language in boldface type: “Notwithstanding Section 3.02 of the Trust Indenture and any provision in this Series Indenture to the contrary, no notice of redemption shall be given as to the date or amount of mandatory redemption pursuant to Section 2.08(a) hereof.”

This language clarifies for the Trustee that no notice of redemption is required to be given for mandatory redemption of the 2021 A Bonds.

All Principals involved in the transaction are in agreement that these amendments are appropriate and provide the necessary clarification to cure any ambiguity.

Furthermore, these amendments may be made with approval by the Commission pursuant to Section 8.01(g) of the 1996 Master Indenture to cure any ambiguity or supply any omission or cure or correct any defect of inconsistent provision of the Indenture, and without notice to or the consent of bondholders; however, an opinion of bond counsel must be obtained. Barclay Damon will provide the necessary opinion of bond counsel.

ISSUES FOR CONSIDERATION:

Will the Commission approve staff’s recommendation to amend the Series Indenture for the Multifamily Housing Development Bonds 2021 Series A to clarify the manner in which bond interest is calculated and paid and notice of mandatory redemption is given to bondholders?

PRINCIPALS:

Housing Opportunities Commission of Montgomery County
Barclay Damon, LLP, Bond Counsel
Caine Mitter & Associates Incorporated, Financial Advisor
U.S. Bank National Association, Trustee

BUDGET IMPACT:

There is no impact on the Commission’s operating budget.

TIMEFRAME:

For formal action at a Special Meeting of the Commission held on March 26, 2021.

STAFF RECOMMENDATION:

Staff recommends that the Commission approve the amendment to the Series Indenture for the Multifamily Housing Development Bonds 2021 Series A to clarify the manner in which bond interest is calculated and paid to bondholders, and notice of mandatory redemption is given to bondholders.

RESOLUTION: 21-35

Re: Amendment to the Series Indenture for the Multifamily Housing Development Bonds 2021 Series A to Clarify Certain Provisions of the Indenture

WHEREAS, on December 9, 2020, the Housing Opportunities Commission of Montgomery County (the "Commission") adopted Resolution 20-87B, which authorized the issuance of 2021 Series A Multifamily Housing Development Bonds (the "2021 A Bonds") in the 1996 Bond Resolution (the "1996 Indenture") in the amount of \$99.25 million for the purpose of refunding the PNC Bank, N.A. tax-exempt loan in order to use the recycled proceeds to finance the acquisition and development of Westside Shady Grove Apartments; and

WHEREAS, closing on the 2021 A Bonds occurred on January 28, 2021; and

WHEREAS, the 2021 A Series Indenture (the "Series Indenture") provides that the 2021 A Bonds shall be secured solely by the proceeds thereof or funds on deposit in the funds and accounts created under the Series Indenture and not by any other moneys, funds or accounts held under the 1996 Indenture; and

WHEREAS, at the request of U.S. Bank National Association, the Trustee of the Series Indenture and the 1996 Indenture, to cure any ambiguity in the Series Indenture, staff, along with the Commission's bond counsel and financial advisor, recommends clarifying in the Series Indenture the manner in which bond interest is calculated and notice of mandatory redemption is given to bondholders.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County approves amending Section 2.05(b), Section 2.08(g), and Exhibit A of the Series Indenture to clarify the manner in which bond interest is calculated and notice of mandatory redemption is given to bondholders, and said amendment, "First Amendment to Series Indenture Providing for the Issuance and Sale of \$99,250,000 Principal Amount of Multifamily Housing Development Bonds (FHA Risk Sharing Insured Pass Through) 2021 Series A of the Housing Opportunities Commission of Montgomery County" is attached for reference (the "Amendment").

BE IT FURTHER RESOLVED by the Commission that the Chairman, the Vice Chairman, or the Chairman Pro Tem, and the Executive Director of the Commission or any authorized designee of the Executive Director are hereby authorized and directed to execute and deliver the Amendment with such changes as shall be approved by such officers, the execution of such Amendment being conclusive evidence of such approval and of the approval of the Commission, and the Secretary-Treasurer of the Commission, or any other authorized officer of the Commission (an "Authorized Officer"), is hereby authorized and directed to affix the seal of the Commission to the Amendment and to attest the same.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director, or a duly appointed designee of the Executive Director, is hereby authorized, without any further action on its part, to execute such other documents, and to take any and all other actions, in each case as necessary and proper, in the Executive Director's judgment, to carry out the actions contemplated herein.

I HEREBY CERTIFY that the foregoing resolution was duly adopted by the Housing Opportunities Commission of Montgomery County at an open Special Session conducted on March 26, 2021.

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Patrice M. Birdsong
Special Assistant to the Commission

**FIRST AMENDMENT TO
SERIES INDENTURE
PROVIDING FOR THE ISSUANCE AND SALE OF
\$99,250,000 PRINCIPAL AMOUNT OF
MULTIFAMILY HOUSING DEVELOPMENT BONDS
(FHA RISK SHARING INSURED PASS THROUGH)
2021 SERIES A**

OF THE

**HOUSING OPPORTUNITIES COMMISSION
OF MONTGOMERY COUNTY**

Adopted as of January 1, 2021

(First Amendment Adopted as of March 26, 2021)

FIRST AMENDMENT TO SERIES INDENTURE PROVIDING FOR THE ISSUANCE AND SALE OF \$99,250,000 PRINCIPAL AMOUNT OF MULTIFAMILY HOUSING DEVELOPMENT BONDS (FHA RISK SHARING INSURED PASS THROUGH) 2021 SERIES A OF THE HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

WHEREAS, the Housing Opportunities Commission of Montgomery County (the “Commission”) is authorized to make, purchase or finance Mortgage Loans or Guaranteed Mortgage Securities for the construction, acquisition or rehabilitation of Developments pursuant to its multifamily housing program (the “Program”) under the provisions of Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, and the Memorandum of Understanding dated June 28, 2018 between the Commission and Montgomery County, Maryland (the “County”), as amended (together, the “Act”); and

WHEREAS, the Commission entered into a Trust Indenture, dated as of November 1, 1996, as amended and supplemented from time to time (the “Trust Indenture”), by and between the Commission and U.S. Bank National Association (as successor in interest to Crestar Bank), as trustee (the “Trustee”), providing for the issuance of bonds under the Program; and

WHEREAS, pursuant to Section 8.01(l) of the Trust Indenture, the Commission and the Trustee enter into the Series Indenture Providing for the Issuance and Sale of \$99,250,000 Principal Amount of Multifamily Housing Development Bonds (FHA Risk Sharing Insured Pass Through), 2021 Series A of the Housing Opportunities Commission of Montgomery County (the “Series Indenture” and together with the Trust Indenture, the “Indenture”); and

WHEREAS, the Commission and the Trustee desire to modify Section 2.05(b) and Exhibit A of the Series Indenture as hereinafter provided; and

WHEREAS, Section 8.01(g) of the Trust Indenture provides that the Commission and the Trustee may enter into a Supplemental Indenture, without the consent of or notice to any of the Bondowners, to cure any ambiguity of the Indenture; and

WHEREAS, a copy of this First Amendment to the Series Indenture shall be filed with the Trustee and accompanied by an opinion of Bond Counsel to the effect that this First Amendment to the Series Indenture has been duly and lawfully entered into in accordance with the provisions of the Indenture, is authorized or permitted by the Indenture and is valid and binding upon the Commission;

**NOW, THEREFORE, THIS FIRST AMENDMENT TO THE SERIES
INDENTURE WITNESSETH:**

ARTICLE I

DEFINITIONS AND AUTHORITY

Section 1.01. Short Title. This First Amendment to the Series Indenture Providing for the Issuance and Sale of \$99,250,000 Principal Amount of Multifamily Housing Development Bonds (FHA Risk Sharing Insured Pass Through), 2021 Series A of the Housing Opportunities Commission of Montgomery County is herein referred to as the “First Amendment to Series Indenture.”

Section 1.02. Definitions and Interpretation.

(a) All defined terms contained in the Trust Indenture have the same meanings, respectively, in this First Amendment to Series Indenture as such terms are given in Section 1.01 of the Trust Indenture. All defined terms contained in the Series Indenture have the same meanings, respectively, in this First Amendment to Series Indenture as such terms are given in Section 1.02 of the Series Indenture.

(b) In this First Amendment to Series Indenture, unless the context otherwise requires, words of the masculine gender include correlative words of the feminine and neuter genders, words importing the singular number include the plural number and vice versa, and words importing persons include corporations and associations, including public bodies, as well as natural persons.

(c) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this First Amendment to Series Indenture, refer to this First Amendment to Series Indenture.

Section 1.03. Authority for First Amendment to Series Indenture. This First Amendment to Series Indenture is entered into pursuant to the provisions of the Trust Indenture in order to cure any ambiguity in the terms of the Series Indenture. This First Amendment to Series Indenture shall constitute a Supplemental Indenture pursuant to Section 8.01(g) of the Trust Indenture.

ARTICLE II

MODIFICATION OF THE SERIES INDENTURE

Section 2.01. Modification of the Series Indenture.

(a) Section 2.05(b) of the Series Indenture is hereby amended and restated in its entirety as follows (added language is reflected as double underscored, boldface type):

The amount of interest payable on the 2021 Series A Bonds on each Interest Payment Date shall be the amount of interest which shall have accrued on the

2021 Series A Bonds during the second calendar month preceding the Interest Payment Date, except that the interest payable on the first Interest Payment Date shall accrue from the date of delivery of the 2021 Series A Bonds through February 28, 2021. Interest on the 2021 Series A Bonds shall be payable on each Interest Payment Date by check mailed to the registered owners at their addresses as they appear as of the close of business on the Record Date on the registration books of the Commission maintained by the Trustee or, upon timely written request of a registered owner of 2021 Series A Bonds and payment of any applicable transfer fee, by wire transfer from the Trustee to the registered owner thereof.

(b) Section 2.08(g) of the Series Indenture is hereby amended and restated in its entirety as follows (added language is reflected as double underscored, boldface type):

Notwithstanding Section 3.02 of the Trust Indenture **and any provision in this Series Indenture to the contrary**, no notice of redemption shall be given as to the date or amount of mandatory redemption pursuant to Section 2.08(a) hereof.

(c) Exhibit A of the Series Indenture is hereby amended and restated in its entirety in the form annexed hereto as Exhibit A (added language is reflected as double underscored, boldface type).

ARTICLE III

RE-EXECUTION OF 2021 SERIES A BONDS

Section 3.01. Re-Execution of 2021 Series A Bonds. The 2021 Series A Bonds, as modified in accordance with this First Amendment to Series Indenture, are to be re-executed by the manual or facsimile signature of its Chair or Vice Chair of the Commission, and re-attested by the manual or facsimile signature of the Secretary of the Commission in accordance with the provisions of the Act. After their execution, the 2021 Series A Bonds, as modified in accordance with this First Amendment to Series Indenture, will be delivered to the Trustee for authentication as provided in the Trust Indenture.[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Commission has caused this First Amendment to Series Indenture to be signed in its name and behalf by its Chair and its official seal to be hereunto affixed, and to be attested by its Secretary-Treasurer; and to evidence their acceptance of the trusts hereby created, the Trustee has caused this First Amendment to Series Indenture to be signed in its name and behalf by its duly authorized officer, as of the day first above written.

HOUSING OPPORTUNITIES COMMISSION
OF MONTGOMERY COUNTY

[SEAL]

By: _____
Roy O. Priest
Chair

Attest:

By: _____
Stacy L. Spann
Secretary-Treasurer

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Nancy H. Taylor
Vice President

[SIGNATURE PAGE FOR FIRST AMENDMENT TO SERIES INDENTURE]

EXHIBIT A

[FORM OF 2021 SERIES A BOND]

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UNITED STATES OF AMERICA
STATE OF MARYLAND
HOUSING OPPORTUNITIES COMMISSION
OF MONTGOMERY COUNTY

MULTIFAMILY HOUSING DEVELOPMENT BOND
(FHA RISK SHARING INSURED PASS THROUGH)
2021 SERIES A

NEITHER THE COMMISSIONERS OF THE HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY (THE "COMMISSION") NOR ANY PERSON EXECUTING THIS BOND SHALL BE LIABLE PERSONALLY ON THIS BOND BY REASON OF THE ISSUANCE HEREOF. THIS BOND SHALL NOT BE A DEBT OF THE COMMISSION, MONTGOMERY COUNTY, MARYLAND (THE "COUNTY"), THE STATE OF MARYLAND (THE "STATE") OR ANY POLITICAL SUBDIVISION THEREOF AND NEITHER THE COUNTY NOR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF SHALL BE LIABLE THEREON, NOR IN ANY EVENT SHALL THIS BOND BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE COMMISSION PLEDGED THEREFOR PURSUANT TO THE SERIES INDENTURE (AS DEFINED HEREIN). THIS BOND SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE COMMISSION HAS NO TAXING POWER. THIS BOND IS NOT A DEBT OF THE UNITED STATES OF AMERICA, HUD OR ANY OTHER GOVERNMENTAL AGENCY AND IS NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES.

DATED DATE	INTEREST RATE	MATURITY DATE	CUSIP
_____, 2021	_____% per annum	July 1, 2052	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

KNOW ALL PERSONS BY THESE PRESENTS that the Housing Opportunities Commission of Montgomery County (the "Commission"), a public body corporate and politic organized and existing under the Constitution and laws of the State of Maryland (the "State"), for value received, promises to pay from the source and as hereinafter provided, to the Registered Owner identified above, or registered assigns, the Principal

Amount identified above, on the Maturity Date hereof (or earlier as herein provided), and in like manner to pay interest on said sum from the Dated Date shown above at the Interest Rate per annum shown above (calculated on the basis of a 360-day year consisting of twelve 30-day months) on the first day of each calendar month, commencing on April 1, 2021 (each an “Interest Payment Date”), except as the provisions hereinafter set forth and as set forth in the Trust Indenture dated as of November 1, 1996, as amended and supplemented (the “Trust Indenture”), between the Commission and U.S. Bank National Association as trustee (the “Trustee”) and the Series Indenture Providing for the Issuance and Sale of \$99,250,000 Principal Amount of Multifamily Housing Development Bonds (FHA Risk Sharing Insured Pass Through) 2021 Series A of the Housing Opportunities Commission of Montgomery County of the Housing Opportunities Commission of Montgomery County, adopted as of January 1, 2021, as amended by a First Amendment to Series Indenture Providing for the Issuance and Sale of \$99,250,000 Principal Amount of Multifamily Housing Development Bonds (FHA Risk Sharing Insured Pass Through) 2021 Series A of the Housing Opportunities Commission of Montgomery County of the Housing Opportunities Commission of Montgomery County, adopted as of January 1, 2021 (First Amendment Adopted as of March 26, 2021) (as amended, the “Series Indenture,” together with the Trust Indenture, the “Indenture”), with respect to tender for purchase or redemption of this Bond before maturity may become applicable hereto. The amount of interest payable on this bond on each Interest Payment Date shall be the amount of interest which shall have accrued on this bond during the second calendar month preceding the Interest Payment Date, except that the interest payable on the first Interest Payment Date shall accrue from the date of delivery of the 2021 Series A Bonds through February 28, 2021. All capitalized terms used in this Bond and not otherwise defined shall have the meanings assigned thereto in the Indenture.

The Trust Indenture permits the Commission and the Trustee to enter into a Supplemental Indenture, without the consent of or notice to any of the Bondowners, that provides for an issuance of a Series of Bonds which are not on parity with the other Bonds issued under the Trust Indenture. **THE SERIES INDENTURE PROVIDES THAT THE 2021 SERIES A BONDS (HEREINAFTER DEFINED) ARE NOT ON PARITY WITH THE OTHER BONDS ISSUED UNDER THE TRUST INDENTURE. THE 2021 SERIES A BONDS SHALL BE SEPARATELY SECURED FROM ALL OTHER BONDS HERETOFORE OR HEREAFTER ISSUED UNDER THE TRUST INDENTURE.**

Both the principal of and the interest on this Bond shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. The principal of all 2021 Series A Bonds shall be payable only to the registered owner or his legal representative at the principal corporate trust office of the Trustee, and payment of the interest on each Bond shall be made by the Trustee on each Interest Payment Date to the person appearing on the registration books of the Commission provided for in the Trust Indenture as the registered owner thereof, by check mailed to the registered owner at his address as it appears on such registration books. Except as provided in the Trust Indenture, payment of the principal of

all 2021 Series A Bonds shall be made upon the presentation and surrender of such Bonds as the same shall become due and payable.

Interest on any 2021 Series A Bond that is payable on any Interest Payment Date and that is punctually paid or duly provided for is payable to the person in whose name such Bond is registered at the close of business on the Record Date for such interest.

The person in whose name this Bond is registered shall be deemed and regarded as the absolute owner hereof for all purposes, and payment of or on account of the principal of and interest on this Bond shall be made only to the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including interest thereon, to the extent of the sum or sums so paid.

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

The transfer of any Bond may be registered only upon the books kept for the registration of and registration of transfers of Bonds upon surrender thereof to the Trustee, acting as bond registrar, together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee. Upon any such registration of transfer of a Bond, the Commission shall execute and the Trustee shall authenticate and deliver in exchange for such Bond, at the earliest practicable time, a new 2021 Series A Bond or Bonds, registered in the name of the transferee, in any denomination or denominations authorized by the Trust Indenture, in an aggregate principal amount equal to the principal amount of such Bond and bearing interest at the same rate. All 2021 Series A Bonds surrendered in any such exchange or registration of transfer shall forthwith be cancelled by the Trustee. The Commission or the Trustee, at the direction of the Commission, may make a charge for the expense incurred in every such exchange or registration of transfer of 2021 Series A Bonds, including a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer. Neither the Commission nor the Trustee shall be required to make any such exchange or registration of transfer of 2021 Series A Bonds during the 15 days preceding the date of first publication of notice of such redemption or after such Bonds or any portion thereof shall have been selected for redemption.

This Bond is one of the duly authorized issue of revenue bonds of the Commission designated “Multifamily Housing Development Bonds (FHA Risk Sharing Insured Pass Through), 2021 Series A” (the “2021 Series A Bonds”) issued in an aggregate principal amount of NINETY-NINE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS (\$99,250,000), all of like tenor and effect except as to principal amount and number, issued under and pursuant to the Trust Indenture and the Series Indenture, copies

of which are on file at the principal corporate trust office of the Trustee. The issuance of the 2021 Series A Bonds is authorized pursuant to the Housing Authorities Law, constituting Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, together with the Agreement By and Between the Housing Opportunities Commission of Montgomery County and Montgomery County, Maryland, as amended (together, the “Act”).

The proceeds of the 2021 Series A Bonds will be used for the purpose of financing the 2021 Series A Mortgage Loan providing funds for the payment of the cost of construction and permanent financing of the 2021 Series A Development. The proceeds of the 2021 Series A Bonds are to be deposited in the 2021 Series A Mortgage Loan Account pursuant to the Trust Indenture and the Series Indenture.

The 2021 Series A Bonds are secured under the Series Indenture which, together with certain other documents, assigns to the Trustee for the benefit of Bondowners all right, title and interest of the Commission in and to the Trust Estate, as defined in the Series Indenture.

Reference is hereby made to (a) the Series Indenture for the provisions, among others, with respect to the custody and application of the proceeds of the 2021 Series A Bonds, the nature and the extent of the liens and security of the Series Indenture and the 2021 Series A Mortgage Loan, the collection and disposition of revenues, the funds charged with and pledged to the payment of the principal of and the redemption premium, if any, and the interest on the 2021 Series A Bonds, and (b) the Trust Indenture for the provisions, among others, with respect to the rights, duties and immunities of the Trustee, the rights of the registered owners of the 2021 Series A Bonds, and the rights and obligations of the Commission. By the acceptance of this 2021 Series A Bond, the registered owner hereof assents to all of the provisions of the Trust Indenture and the Series Indenture.

The 2021 Series A Bonds are to be issued in the principal denomination of \$1.00 or any integral multiple thereof not exceeding the aggregate principal amount of 2021 Series A Bonds authorized under the Series Indenture. This Bond, upon surrender hereof at the principal corporate trust office of the Trustee, together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee, may, at the option of the registered owner hereof, be exchanged for an equal aggregate principal amount of Bonds, bearing interest at the same rate, of any denomination or denominations authorized by the Series Indenture.

The 2021 Series A Bonds shall be subject to optional, special, extraordinary and mandatory redemption as provided in the Series Indenture.

The Commission shall select 2021 Series A Bonds for redemption in accordance with the provisions of the Trust Indenture. If less than all 2021 Series A Bonds are to be redeemed, the particular 2021 Series A Bonds to be redeemed shall be selected by the Trustee by lot in accordance with the provisions of the Trust Indenture.

Notwithstanding any other provisions of the Trust Indenture to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal, Redemption Price or purchase price of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, to DTC as provided in the DTC Representation Letter. In connection with any notice or other communication to be provided to Bondowners pursuant to the Trust Indenture by the Commission or the Trustee or with respect to any consent or other action to be taken by Bondowners, the Commission or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than 15 calendar days in advance of such record date to the extent possible. Such notice to DTC shall be given only when DTC is the sole Bondowner.

Notwithstanding any provision of the Trust Indenture to the contrary, in connection with any redemption of Bonds while DTC is the sole Bondowner, the Commission shall give notice of such redemption to the Trustee at least 40 days prior to the date fixed for redemption, and the Trustee shall give notice of redemption to DTC as owner of such Bonds pursuant to the Trust Indenture at least 30 days and not more than 60 days prior to the date fixed for redemption; provided that in the event the 2021 Series A Bonds are subject to extraordinary redemption by reason of a Recovery Payment made by FHA under FHA Insurance with respect to the 2021 Series A Mortgage Loan funded with the proceeds of 2021 Series A Bonds, the Commission shall give the Trustee notice promptly upon receipt (or confirmed payment) of any such Recovery Payment and the Trustee shall give DTC notice thereof as soon as practicable in order to satisfy the redemption notice requirements set forth in the Trust Indenture and the Series Indenture. **No notice of redemption shall be given as to the date or amount of mandatory redemption.**

The owner of this Bond shall have no right to enforce the provisions of the Trust Indenture or the Series Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Trust Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Trust Indenture.

In the event of a partial redemption of this Bond, the registered owner hereof is authorized to effect a reduction in the face amount of this Bond by making a notation on the face hereof in lieu of surrendering this Bond to the Trustee for cancellation and the issuance of a new Bond or Bonds in the amount of the unredeemed portion hereof. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS BOND MAY BE LESS THAN THE STATED FACE AMOUNT HEREOF AND THE RECORDS OF THE TRUSTEE SHALL BE CONCLUSIVE AS TO THE OUTSTANDING PRINCIPAL AMOUNT HEREOF. ANY PURCHASER OR TRANSFEREE OF THIS BOND SHOULD CONTACT THE TRUSTEE TO ASCERTAIN THE OUTSTANDING PRINCIPAL AMOUNT HEREOF.

In certain events, on the conditions, in the manner and with the effect set forth in the Trust Indenture and the Series Indenture, the principal of all 2021 Series A Bonds then Outstanding under the Trust Indenture may become or may be declared due and payable before the stated maturity thereof, together with the interest accrued thereon. Modifications

or alterations of the Trust Indenture and the Series Indenture may be made only to the extent and in the circumstances permitted by the Trust Indenture and the Series Indenture.

Upon the happening and continuance of any Event of Default specified in the Trust Indenture, the Trustee shall proceed, or upon the happening and continuance of any Event of Default specified in the Trust Indenture (except with respect to declaring all 2021 Series A Bonds due and payable, in which case the consent of owners of not less than 100% in principal amount of the Outstanding 2021 Series A Bonds shall be required) the Trustee may proceed and, upon the written request of the owners of not less than 25% in principal amount of the Outstanding 2021 Series A Bonds, shall proceed, in its own name, subject to the provisions of the Trust Indenture, to protect and enforce the rights of the Bondowners by such of the remedies set forth in the Trust Indenture as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights.

All acts, conditions and things required by the Constitution and laws of the State to happen, exist and be performed precedent to and in the issuance of this Bond and the execution and delivery of the Trust Indenture and the Series Indenture have happened, exist and have been performed as so required.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Trust Indenture or the Series Indenture until it shall have been authenticated by the execution by the Trustee of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, the Housing Opportunities Commission of Montgomery County has caused this Bond to be duly executed in its name by the manual or facsimile signature of its Chair and has caused its corporate seal or a facsimile thereof to be impressed or otherwise printed hereon and attested to by the manual or facsimile signature of its Secretary-Treasurer.

HOUSING OPPORTUNITIES COMMISSION
OF MONTGOMERY COUNTY

[SEAL]

By: _____
Roy O. Priest
Chair

Attest:

By: _____
Stacy L. Spann
Secretary-Treasurer

[FORM OF CERTIFICATE OF AUTHENTICATION]

This Bond is one of the 2021 Series A Bonds described in the within-mentioned Series Indenture.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Signature

Date of Authentication: January 28, 2021

[FORM OF ASSIGNMENT]

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

Dated: _____

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

Please insert social security or other identifying number of assignee:

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

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