

*In the opinion of Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Series 2009E Bonds is excluded from gross income for federal income tax purposes, except during the period when the Series 2009E Bonds are held by a “substantial user” of the facilities financed by the Series 2009E Bonds or a “related person” within the meaning of Section 147(a) of the Internal Revenue Code of 1986 (the “Code”). Bond Counsel is further of the opinion that interest on the Series 2009E Bonds is not a specific preference item or included in adjusted current earnings for purposes of the federal alternative minimum tax. Under the Act, in its present form, the Bonds and all income from the Bonds is free from all taxation by the State of Illinois or its political subdivisions, except for estate, transfer and inheritance taxes. See “TAX MATTERS” herein.*

**Supplement No. 4 to Official Statement  
dated November 17, 2011  
relating to**

**\$7,700,000**

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
Multifamily Initiative Bonds, Series 2009E**

**Delivery Date: November 17, 2011  
(interest accrual commencing November 17, 2011)**

**Due: November 1, 2042**

The Illinois Housing Development Authority (the “**Authority**”) previously issued \$184,080,000 aggregate principal amount of its Multifamily Initiative Bonds, Series 2009A (the “**Series 2009A Bonds**”), and expects to release a portion of the escrowed proceeds of the Series 2009A Bonds in the aggregate principal amount of \$7,700,000 (the “**Released Amount**”) and to convert and redesignate a corresponding portion of the Series 2009A Bonds as the Illinois Housing Development Authority Multifamily Initiative Bonds, Series 2009E (the “**Series 2009E Bonds**”). On November 18, 2010, the Authority converted \$34,670,000 aggregate principal amount of the Series 2009A Bonds and redesignated them as the Illinois Housing Development Authority Multifamily Initiative Bonds, Series 2009B (the “**Series 2009B Bonds**”). On December 16, 2010, the Authority converted \$27,860,000 aggregate principal amount of the Series 2009A Bonds and redesignated them as the Illinois Housing Development Authority Multifamily Initiative Bonds, Series 2009C (the “**Series 2009C Bonds**”). On July 28, 2011, the Authority converted \$59,500,000 aggregate principal amount of the Series 2009A Bonds and redesignated them as the Illinois Housing Development Authority Multifamily Initiative Bonds, Series 2009D (the “**Series 2009D Bonds**”) and, together with the Series 2009B Bonds, the Series 2009C and the Series 2009E Bonds, the “**Converted Bonds**”). See “THE NEW ISSUE BOND PROGRAM”. This Supplement No. 4 to Official Statement (“**Supplement No. 4**”) supplements and amends the Official Statement, dated December 18, 2009, relating to the Series 2009A Bonds (the “**Original Official Statement**”) in connection with the conversion and redesignation of the Series 2009E Bonds. The Original Official Statement as previously supplemented and amended and as supplemented and amended by this Supplement No. 4 is referred to as the “**Official Statement**”. The Original Official Statement is attached to this Supplement No. 4 as Appendix D. To the extent not supplemented and amended by prior supplements and by this Supplement No. 4, the Original Official Statement remains in full force and effect. Certain capitalized terms used but not otherwise defined in this Supplement No. 4 are defined in the Original Official Statement or in the Indenture defined below.

The Series 2009E Bonds were issued pursuant to and are outstanding under the Trust Indenture, dated as of December 1, 2009 (as amended, the “**Trust Indenture**”), between the Authority and The Bank of New York Mellon Trust Company, N.A., Chicago, Illinois, as trustee (the “**Trustee**”), as supplemented and amended by the Series 2009A Supplemental Indenture, dated as of December 1, 2009 (as amended, the “**Series 2009A Supplemental Indenture**”), between the Authority and the Trustee, the Series 2009B Supplemental Indenture, dated as of November 1, 2010 (as amended, the “**Series 2009B Supplemental Indenture**”), between the Authority and the Trustee, the Series 2009C Supplemental Indenture, dated as of December 1, 2010 (as amended, the “**Series 2009C Supplemental Indenture**”), between the Authority and the Trustee, the Series 2009D Supplemental Indenture, dated as of July 1, 2011, between the Authority and the Trustee (as amended, the “**Series 2009D Supplemental Indenture**”), and the Series 2009E Supplemental Indenture, dated as of November 1, 2011, between the Authority and the Trustee (the “**Series 2009E Supplemental Indenture**”) and collectively with the Trust Indenture, the Series 2009A Supplemental Indenture, the Series 2009B Supplemental Indenture, the Series 2009C Supplemental Indenture and the Series 2009D Supplemental Indenture, the “**Indenture**”). Principal of and premium, if any, and interest on the Series 2009E Bonds will be paid by the Trustee as Paying Agent pursuant to the Indenture.

The Series 2009E Bonds are issuable only in registered form. The Depository Trust Company (“DTC” or the “**Depository**”), New York, New York, will act as securities depository for the Series 2009E Bonds and its nominee will be the registered owner of the Series 2009E Bonds. See “BOOK-ENTRY ONLY SYSTEM” in the Original Official Statement in Appendix D.

The Series 2009E Bonds are issuable in authorized denominations of \$5,000 principal amount and integral multiples of that amount and, for purposes of the release and redemption of the Series 2009E Bonds, \$10,000 principal amount or any integral multiple of \$10,000 in excess thereof. The Series 2009E Bonds will bear interest from and including November 17, 2011 to but excluding January 17, 2012 at a rate per annum equal to the lesser of (a) the interest rate for four week Treasury bills as of the Business Day (as defined in the Indenture) prior to November 17, 2011, plus 60 basis points or (b) 2.32%. Thereafter, the Series 2009E Bonds will bear interest at the permanent rate of 2.32% per annum to maturity. Interest on the Series 2009E Bonds will be payable on January 17, 2012 and thereafter on March 1 and September 1 of each year, commencing March 1, 2012, on each redemption date or date of purchase in lieu of redemption and at maturity. See “THE SERIES 2009E BONDS”.

The Series 2009E Bonds are subject to redemption prior to maturity, including optional, mandatory sinking fund and special mandatory redemption, at the prices set forth herein under certain circumstances, as more fully described herein. See: “THE SERIES 2009E BONDS—Redemption Provisions” herein and “THE SERIES 2009A BONDS—Redemption Provisions” in the Original Official Statement in Appendix D.

The Series 2009E Bonds were issued to make funds available, together with certain other available moneys, to (a) fund a Mortgage Loan in order to acquire, construct or rehabilitate multifamily residential housing located in the State of Illinois (the “**State**”), all as described herein and in Appendix B, including capitalized interest, if any, and (b) pay certain costs incurred in connection with the conversion and redesignation of the Series 2009E Bonds. See “SOURCES AND USES OF FUNDS”.

The Series 2009E Bonds are secured by a pledge of the Trust Estate established under the Series 2009E Supplemental Indenture, including revenues, assets or moneys held under the Series 2009E Supplemental Indenture (other than the Rebate Fund, if any), solely to the extent such items are subject to the pledge, assignment, lien and security interest as provided in the Series 2009E Supplemental Indenture. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2009E BONDS”.

On the date the Series 2009E Bonds are delivered, the Federal Home Loan Mortgage Corporation, a shareholder-owned government-sponsored enterprise organized and existing under the laws of the United States (“**Freddie Mac**”), is expected to provide credit enhancement for payments of principal and interest under the Series 2009E Mortgage Loan (as defined herein) and payments of the Purchase Price (in the event of a purchase in lieu of redemption) of the Series 2009E Bonds through the issuance of a direct-pay Credit Enhancement Agreement (the “**Freddie Mac Credit Enhancement**”) between the Trustee and Freddie Mac.

## **FREDDIE MAC**

The Freddie Mac Credit Enhancement will be dated as of November 1, 2011 and will terminate on November 6, 2042, (unless earlier terminated as provided therein), or upon the earlier payment in full, redemption or purchase in lieu thereof of the Series 2009E Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2009E BONDS—Credit Enhancement of the Series 2009E Bonds”, and “APPENDIX E – FORM OF FREDDIE MAC CREDIT ENHANCEMENT AGREEMENT” herein.

**The Series 2009E Bonds are special, limited obligations of the Authority. The Series 2009E Bonds will not constitute a debt of the State or any political subdivision thereof, and neither the State nor any of its political subdivisions are liable thereon. The Series 2009E Bonds will not constitute a debt or liability or obligation or a pledge of the faith and credit of the State or any political subdivision thereof but will be payable solely from the revenues or assets of the Authority pledged therefor. Neither the State nor any political subdivision thereof is liable on the Series 2009E Bonds, and the Series 2009E Bonds are not a debt of the State or any political subdivision thereof and neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or the interest on the Series 2009E Bonds.**

The Series 2009E Bonds are not general obligations of the Authority and are not a debt of or guaranteed by the State or any political subdivision thereof or the United States or any agency or instrumentality thereof. The Authority has determined by resolution that the relevant provisions of Section 26.1 of the Act, as amended, which require the Governor to submit to the General Assembly the amount certified by the Authority as being required to pay debt service on its bonds because of insufficient moneys available for such payments, shall not apply to the Series 2009E Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2009E BONDS” herein.

**Freddie Mac's obligations with respect to the Series 2009E Bonds are solely as provided in the Freddie Mac Credit Enhancement. The obligations of Freddie Mac under the Freddie Mac Credit Enhancement will be obligations solely of Freddie Mac. Freddie Mac has no obligation to purchase, directly or indirectly, any of the Series 2009E Bonds, but will be obligated, pursuant to the Freddie Mac Credit Enhancement, to provide funds to the Trustee to pay the Purchase Price of the Series 2009E Bonds purchased in lieu of redemption under the circumstances described herein. The Series 2009E Bonds are not a debt of the United States of America, any agency thereof, or of Freddie Mac, and are not guaranteed by the full faith and credit of the United States of America, any agency thereof, or by Freddie Mac.**

*The delivery of the Series 2009E Bonds is subject to the opinion of Kutak Rock LLP, Chicago, Illinois, Bond Counsel, as to the validity of, and the excludability from gross income for federal income tax purposes of interest on, the Series 2009E Bonds. Certain legal matters will be passed upon for the Authority by its General Counsel, Maureen Ohle, Esq. and by its counsel, Schiff Hardin LLP, Chicago, Illinois. Certain legal matters will be passed upon for the Series 2009E Developer by its counsel, Applegate & Thorne-Thomsen, P.C., for the Trustee by its internal counsel, and for Freddie Mac by its Legal Division and its special counsel, Ballard Spahr, LLP. See "LEGAL MATTERS."*

## CONCERNING THE OFFICIAL STATEMENT

No person has been authorized by the Authority to give any information or to make any representations other than those contained in the Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the Authority. The Official Statement does not constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of, the Series 2009E Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion in the Official Statement are subject to change without notice, and neither the delivery of the Official Statement nor any sale made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority since the date as of which information is given in the Official Statement.

THE SERIES 2009E BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE RESOLUTIONS AND INDENTURES RELATING TO THE SERIES 2009E BONDS HAVE NOT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2009E BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF LAW OF THE STATES IN WHICH THE SERIES 2009E BONDS HAVE BEEN REGISTERED OR QUALIFIED, IF ANY, AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF.

THE SERIES 2009E BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THE OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The Official Statement contains “forward looking statements” within the meaning of the federal securities laws. These forward looking statements include, among others, statements concerning expectations, beliefs, opinions, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. The forward looking statements in the Official Statement are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by such statements.

Freddie Mac has not provided any information in this Official Statement except with respect to the description under the caption “FREDDIE MAC” and takes no responsibility for any other information contained in this Official Statement. Freddie Mac makes no representation as to the contents of this Official Statement, the suitability of the Series 2009E Bonds for any investor, the feasibility or performance of the Series 2009E Development, or compliance with any securities, tax or other laws or regulations. Freddie Mac’s role is limited to entering into the Freddie Mac Credit Enhancement Agreement described herein.

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**Supplement No. 4 to Official Statement**  
**dated November 17, 2011**  
**relating to**  
**\$7,700,000**  
**ILLINOIS HOUSING DEVELOPMENT AUTHORITY**  
**Multifamily Initiative Bonds, Series 2009E**

**INTRODUCTION**

This Supplement No. 4 to Official Statement (including the cover page and appendices, “**Supplement No. 4**”) is being furnished by the Illinois Housing Development Authority (the “**Authority**”) in order to provide information in connection with the conversion and redesignation of a portion of the Authority’s Multifamily Initiative Bonds, Series 2009A (the “**Series 2009A Bonds**”), as the Multifamily Initiative Bonds, Series 2009E (the “**Series 2009E Bonds**”). The Series 2009A Bonds were issued by the Authority on December 30, 2009 pursuant to the Illinois Housing Development Act, 20 ILCS 3805/1 *et seq.*, as amended (the “**Act**”). On November 18, 2010, the Authority converted \$34,670,000 aggregate principal amount of the Series 2009A Bonds and redesignated them as the Illinois Housing Development Authority Multifamily Initiative Bonds, Series 2009B (the “**Series 2009B Bonds**”). On December 16, 2010, the Authority converted \$27,860,000 aggregate principal amount of the Series 2009A Bonds and redesignated them as the Illinois Housing Development Authority Multifamily Initiative Bonds, Series 2009C (the “**Series 2009C Bonds**”). On July 28, 2011, the Authority converted \$59,500,000 aggregate principal amount of the Series 2009A Bonds and redesignated them as the Illinois Housing Development Authority Multifamily Initiative Bonds, Series 2009D (the “**Series 2009D Bonds**”) and together with the Series 2009B Bonds, the Series 2009C Bonds and the Series 2009E Bonds, the “**Converted Bonds**”).

Supplement No. 4 supplements and amends the Official Statement dated December 18, 2009, relating to the Series 2009A Bonds (the “**Original Official Statement**”) in connection with the conversion and redesignation of the Series 2009E Bonds. The Original Official Statement was previously supplemented and amended by Supplement No. 1 to Official Statement dated November 18, 2010 (“**Supplement No. 1**”) relating to the Series 2009B Bonds, Supplement No. 2 to Official Statement dated December 16, 2010 (“**Supplement No. 2**”) relating to the Series 2009C Bonds, and Supplement No. 3 to Official Statement dated July 28, 2011 (“**Supplement No. 3**”) relating to the Series 2009D Bonds. The Original Official Statement as supplemented and amended by Supplement No. 1, Supplement No. 2, Supplement No. 3 and this Supplement No. 4 is referred to as the “**Official Statement.**” The Original Official Statement is attached to this Supplement No. 4 as Appendix D. To the extent not supplemented and amended by Supplement No. 1, Supplement No. 2, Supplement No. 3 and this Supplement No. 4, the Original Official Statement remains in full force and effect.

Certain capitalized terms used but not otherwise defined in this Supplement No. 4 are defined in “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Certain Definitions” in the Original Official Statement attached as Appendix D or in the Indenture defined below.

**The Series 2009E Bonds are secured by credit enhancement provided by the Federal Home Loan Mortgage Corporation (“Freddie Mac”) under a direct pay Credit Enhancement Agreement, dated as of November 1, 2011 (the “Freddie Mac Credit Enhancement”), between Freddie Mac and**



**the Trustee. The form of the Freddie Mac Credit Enhancement is attached as Appendix E. This Supplement No. 4 describes the Series 2009E Bonds as so secured by the Freddie Mac Credit Enhancement. For information concerning Freddie Mac, see below under the caption “FREDDIE MAC.”**

The Series 2009A Bonds were issued and the Series 2009E Bonds are being converted and redesignated under the provisions of (i) the Trust Indenture, dated as of December 1, 2009 (the “**Trust Indenture**”), between the Authority and The Bank of New York Mellon Trust Company, N.A., Chicago, Illinois, as trustee (the “**Trustee**”), (ii) the Series 2009A Supplemental Indenture, dated as of December 1, 2009 (the “**Series 2009A Supplemental Indenture**”), between the Authority and the Trustee, (iii) a determination of the Chairman and Executive Director of the Authority with respect to the Series 2009A Bonds (the “**Series 2009A Determination**”), (iv) the Series 2009B Supplemental Indenture, dated as of November 1, 2010 (the “**Series 2009B Supplemental Indenture**”), between the Authority and the Trustee, (v) the Series 2009C Supplemental Indenture, dated as of December 1, 2010 (the “**Series 2009C Supplemental Indenture**”), between the Authority and the Trustee, (vi) the Series 2009D Supplemental Indenture, dated as of July 1, 2011 (the “**Series 2009D Supplemental Indenture**”), between the Authority and the Trustee, (vii) the Series 2009E Supplemental Indenture, dated as of November 1, 2011 (the “**Series 2009E Supplemental Indenture**”), between the Authority and the Trustee, and collectively with the Trust Indenture, the Series 2009A Supplemental Indenture, the Series 2009B Supplemental Indenture, the Series 2009C Supplemental Indenture and the Series 2009D Supplemental Indenture, as amended by Amendment No. 1 described below, the “**Indenture**”), between the Authority and the Trustee, (viii) a determination of the Chairman and Executive Director of the Authority with respect to the Series 2009E Bonds (the “**Series 2009E Determination**” and together with the Series 2009A Determination, the “**Determinations**”), (ix) Resolution 2009-IHDA-158 of the Authority adopted on November 20, 2009 (the “**Bond Resolution**”), as amended by Resolution 2009-IHDA-178 of the Authority adopted on December 18, 2009 (the “**First Amendatory Resolution**”), and as further amended by Resolution 2010-IHDA-123 of the Authority adopted on September 17, 2010 (the “**Second Amendatory Resolution**”), and (x) Resolution 2011-IHDA-114 of the Authority adopted on September 16, 2011 (the “**Series 2009E Resolution**” and, together with the Bond Resolution, the First Amendatory Resolution, the Second Amendatory Resolution and the Determinations, the “**Resolution**”). The Trust Indenture, the Series 2009A Supplemental Indenture, the Series 2009B Supplemental Indenture, the Series 2009C Supplemental Indenture, and the Series 2009D Supplemental Indenture were amended in certain respects with the consent of the United States Treasury, the owner of the Series 2009A Bonds, the Series 2009B Bonds, the Series 2009C Bonds and the Series 2009D Bonds, pursuant to Resolution 2011-IHDA-115 of the Authority adopted on September 16, 2011 and Amendment No. 1 to Master Indenture and Series 2009A, Series 2009B, Series 2009C and Series 2009D Supplemental Indentures, dated as of August 1, 2011 (“**Amendment No. 1**”), between the Authority and the Trustee.

The Trust Indenture contains terms and conditions relating to the Bonds (as defined below), including terms and conditions relating to the issuance and sale of Bonds and various covenants and security provisions, certain of which are summarized in “Summary of Certain Provisions of the Indenture” in the Original Official Statement in Appendix D. That summary does not purport to be comprehensive or definitive and is subject to all of the provisions of the Trust Indenture, to which reference is hereby made, copies of which are available from the Authority or the Trustee. The Series 2009E Supplemental Indenture contains certain provisions that apply only to the Series 2009E Bonds. Certain of those provisions are summarized under the caption “SUMMARY OF CERTAIN PROVISIONS OF THE SERIES 2009E SUPPLEMENTAL INDENTURE APPLICABLE TO THE SERIES 2009E BONDS.”

A portion of the proceeds of the Series 2009A Bonds in the amount of \$7,700,000 (the “**Released Amount**”) is being released on November 17, 2011 (the “**Release Date**”) and a portion of the Series 2009A Bonds allocable to the Released Amount is being redesignated as the Series 2009E Bonds. The Authority is authorized by the Act, the Resolution and the Indenture to (i) release a portion of the proceeds of the Series 2009A Bonds currently held in escrow by the Trustee in a principal amount corresponding to the principal amount of the Series 2009E Bonds, (ii) redesignate a corresponding portion of the Series 2009A Bonds as the Series 2009E Bonds, and (iii) convert the interest rate on the Series 2009E Bonds from the Short-Term Rate (as defined in the Original Official Statement) to the Permanent Rate (as defined in the Original Official Statement) on January 17, 2012 (the “**Conversion Date**”). See “THE NEW ISSUE BOND PROGRAM”.

Under the Act, the Authority is authorized to finance mortgage loans for multifamily housing for persons and families of low and moderate income in the State of Illinois (the “**State**”). Under the Indenture, the Authority is authorized to issue bonds to provide funds for the making of multifamily mortgage loans to housing sponsors (the “**Developers**”) eligible under the Act for the financing of housing developments (the “**Developments**”), including making deposits in funds and accounts under the Indenture, all as specified in Supplemental Indentures and one or more Determinations (each as defined in the Trust Indenture). Multifamily mortgage loans financed under the Resolution and the Indenture, including, without limitation, the mortgage loans described in Appendix B–“DESCRIPTION OF MORTGAGE LOAN AND DEVELOPMENT EXPECTED TO BE FINANCED BY THE SERIES 2009E BONDS” to this Supplement No. 4 and in Appendix B–“DESCRIPTION OF MORTGAGE LOANS AND DEVELOPMENTS EXPECTED TO BE FINANCED BY THE SERIES 2009B BONDS” to Supplement No. 1, Appendix C–“DESCRIPTION OF MORTGAGE LOANS AND DEVELOPMENTS EXPECTED TO BE FINANCED BY THE SERIES 2009C BONDS” to Supplement No. 2, and Appendix B–“DESCRIPTION OF MORTGAGE LOAN AND DEVELOPMENT EXPECTED TO BE FINANCED BY THE SERIES 2009D BONDS” to Supplement No. 3 to the extent such mortgage loans constitute Permitted Mortgage Loans as defined in the Series 2009A Supplemental Indenture, are referred to at various times as either the “**Mortgage Loans**” or the “**Mortgage Loan**”, as appropriate.

Following the Release Date, a portion of the proceeds of the Series 2009A Bonds in an amount equal to the Released Amount will be transferred from the Series 2009A Escrow Account in the Program Fund to the Series 2009E Project Sub-Account in the Series 2009E Bond Mortgage Loan Account in the Program Fund and used, together with certain other available moneys, to (a) fund a Mortgage Loan (the “**Series 2009E Mortgage Loan**”) to the Developer identified in Appendix B–“DESCRIPTION OF MORTGAGE LOAN AND DEVELOPMENT EXPECTED TO BE FINANCED BY THE SERIES 2009E BONDS” (the “**Series 2009E Developer**”) to finance the acquisition, construction and/or rehabilitation of the Development described in Appendix B (the “**Series 2009E Development**”), including capitalized interest, if any, and (b) pay certain costs incurred in connection with the conversion and redesignation of the Series 2009E Bonds. See “SOURCES AND USES OF FUNDS.” Proceeds of the Series 2009A Bonds released on November 18, 2010 upon the conversion and redesignation of the Series 2009B Bonds were used to fund Mortgage Loans to the Developers identified in Appendix B– “DESCRIPTION OF MORTGAGE LOANS AND DEVELOPMENTS EXPECTED TO BE FINANCED BY THE SERIES 2009B BONDS” to Supplement No. 2, to finance the acquisition, construction and/or rehabilitation of the Developments described in that Appendix B. Proceeds of the Series 2009A Bonds released on December 16, 2010 upon the conversion and redesignation of the Series 2009C Bonds were used to fund Mortgage Loans to the Developers identified in Appendix C–“DESCRIPTION OF MORTGAGE LOANS AND DEVELOPMENTS EXPECTED TO BE FINANCED BY THE SERIES 2009C BONDS” to Supplement No. 2 to finance the acquisition, construction and/or rehabilitation of the Developments described in that Appendix C. Proceeds of the Series 2009A Bonds released on July 28, 2011 upon the conversion and redesignation of the Series 2009D Bonds were

used to fund a Mortgage Loan to the Developer identified in Appendix B—“DESCRIPTION OF MORTGAGE LOAN AND DEVELOPMENT EXPECTED TO BE FINANCED BY THE SERIES 2009D BONDS” to Supplement No. 3 to finance the acquisition, construction and/or rehabilitation of the Development described in that Appendix B.

The Series 2009E Mortgage Loan will be made pursuant to a Financing Agreement, dated as of November 1, 2011 (including the related Financing Agreement Rider attached to it, the “**Financing Agreement**”), among the Authority, the Trustee and the Series 2009E Developer, and upon the satisfaction of various conditions contained therein and in the Series 2009E Supplemental Indenture.

The Series 2009E Mortgage Loan will be evidenced by a non-recourse Bond Mortgage Note dated November 17, 2011 (together with all riders and addenda thereto, the “**Bond Mortgage Note**”), delivered to the Authority, which Bond Mortgage Note will be endorsed by the Authority to the Trustee. The Bond Mortgage Note will be secured by a First Multifamily Mortgage, Assignment of Rents and Security Agreement, dated as of November 1, 2011 (the “**Bond Mortgage**”), with respect to the Series 2009E Development, which Bond Mortgage will be assigned by the Authority to the Trustee. The principal amount and payment provisions of the Bond Mortgage Note will be structured so that (a) the aggregate principal amount of the Bond Mortgage Note will not be less than the aggregate principal amount of Series 2009E Bonds Outstanding (as defined in the Series 2009E Supplemental Indenture), (b) the interest payable on the Bond Mortgage Note will not be less than the interest payable on the Outstanding Series 2009E Bonds, and (c) the required payments under the Bond Mortgage Note will be timely and sufficient in amount to make the payments due to the Bondholders on the Outstanding Series 2009E Bonds. The Authority, the Trustee and the Bondholders will not have any right to exercise certain remedies (without the prior consent or direction of Freddie Mac) under the Bond Mortgage during any period in which the Freddie Mac Credit Enhancement remains in effect and Freddie Mac continues to honor its obligations thereunder.

In addition to the other security provided under the Indenture, the required payments under the Bond Mortgage Note will be secured by Guaranteed Payments under (and as defined in) the Freddie Mac Credit Enhancement. Under the Freddie Mac Credit Enhancement, subject to certain requirements set forth therein, on any Interest Payment Date, or any date Series 2009E Bonds are called for optional or mandatory redemption, and on the maturity date of the Bond Mortgage Note, Freddie Mac will be required to pay (*provided* that the Trustee makes a conforming draw on the Freddie Mac Credit Enhancement) the sum of the Interest Component and the Principal Component (each as defined in the Freddie Mac Credit Enhancement) of a Guaranteed Payment and the Purchase Price of the Bonds in the event of a purchase in lieu of redemption. See “THE SERIES 2009E BONDS” and “APPENDIX E—Form of Freddie Mac Credit Enhancement Agreement” herein.

To evidence the repayment obligations of the Series 2009E Developer to Freddie Mac as a result of payments made by Freddie Mac under the Freddie Mac Credit Enhancement, the Series 2009E Developer and Freddie Mac have entered into a Reimbursement and Security Agreement, dated as of November 1, 2011 (the “**Reimbursement Agreement**”). A brief description of certain provisions of the Reimbursement Agreement is attached as Appendix F. To secure the obligations of the Series 2009E Developer pursuant to the Reimbursement Agreement, the Series 2009E Developer has executed and delivered for the benefit of Freddie Mac a Second Multifamily Mortgage, Assignment of Rents and Security Agreement, dated as of November 1, 2011 (the “**Reimbursement Mortgage**”). The Reimbursement Mortgage does not secure the Series 2009E Bonds. Neither the Trustee nor Bondholders will have any rights with respect to, and neither is a third party beneficiary of, the Reimbursement Mortgage.

It is a condition to the delivery of the Freddie Mac Credit Enhancement by Freddie Mac to the Trustee that the Authority, the Trustee and Freddie Mac and enter into an Intercreditor Agreement, dated as of November 1, 2011 (the “**Intercreditor Agreement**”), pursuant to which the rights of the Authority, the Trustee and Freddie Mac to enforce remedies under the Bond Mortgage and Reimbursement Mortgage, respectively, are set forth among the parties. A brief description of certain provisions of the Intercreditor Agreement is attached as Appendix G. None of the Authority, the Trustee or the Bondholders will have the right to exercise certain remedies (without the prior consent or direction of Freddie Mac) under the Bond Mortgage during any period in which the Freddie Mac Credit Enhancement remains in effect and Freddie Mac continues to honor its obligations under the Freddie Mac Credit Enhancement.

The Series 2009A Bonds were the first obligations issued by the Authority under the Trust Indenture. The Trust Indenture provides that subsequent series of Bonds (“**Subsequent Series**”) may be issued under the Trust Indenture pursuant to a Supplemental Indenture and a Determination, the proceeds of which are available to the Authority to finance one or more Developments. The Series 2009B Bonds were the first Subsequent Series, the Series 2009C Bonds were the second Subsequent Series, the Series 2009D Bonds were the third Subsequent Series, and the Series 2009E Bonds are the fourth Subsequent Series. Additional Subsequent Series may be issued by the Authority in accordance with and under the provisions of the Indenture, the Resolution and the Act. The Converted Bonds, the remaining unconverted Series 2009A Bonds and any additional Subsequent Series of Bonds issued under the Indenture are collectively called the “**Bonds**.”

**Under the Indenture, Subsequent Series may be issued if (i) the Bonds of such Subsequent Series are rated “Aaa” by Moody’s Investors Service, Inc., (ii) the issuance of such Subsequent Series will not result in the withdrawal or lowering of the rating on any other series of Bonds then outstanding, and (iii) certain other conditions are satisfied. Subsequent Series of Bonds may be secured by credit enhancement other than FHA insurance provided under the FHA Risk-Sharing Program or credit enhancement provided by Fannie Mae or Freddie Mac, which secure only the respective series of Bonds to which they pertain.**

The Series 2009E Bonds are special, limited obligations of the Authority and are payable solely from the Authority’s revenues, assets or moneys pledged therefor under the Series 2009E Supplemental Indenture, including moneys drawn under the Freddie Mac Credit Enhancement. The Series 2009E Bonds will not constitute a debt or liability or obligation or a pledge of the faith and credit or the taxing power, if any, of the State or any political subdivision thereof, and neither the State nor any of its political subdivisions are liable thereon. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2009E BONDS” below.

**The Series 2009E Bonds are not general obligations of the Authority and are not a debt of or guaranteed by the State or any political subdivision thereof or the United States or any agency or instrumentality thereof. The Authority has determined by resolution that the relevant provisions of Section 26.1 of the Act, as amended, which require the Governor to submit to the General Assembly the amount certified by the Authority as being required to pay debt service on its bonds because of insufficient moneys available for such payments, shall not apply to the Series 2009E Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2009E BONDS” below.**

**Freddie Mac’s obligations with respect to the Series 2009E Bonds are solely as provided in the Freddie Mac Credit Enhancement. The obligations of Freddie Mac under the Freddie Mac Credit Enhancement will be obligations solely of Freddie Mac, a shareholder-owned, government-**

**sponsored enterprise organized under the laws of the United States of America. Freddie Mac has no obligation to purchase, directly or indirectly, any of the Series 2009E Bonds but will be obligated, pursuant to the Freddie Mac Credit Enhancement, to provide funds to the Trustee to pay the Purchase Price of Series 2009E Bonds purchased in lieu of redemption under the circumstances described herein. The Series 2009E Bonds are not a debt of the United States of America, any agency thereof, or of Freddie Mac, and are not guaranteed by the full faith and credit of the United States of America or by Freddie Mac.**

## THE NEW ISSUE BOND PROGRAM

The Authority issued the Series 2009A Bonds as escrow bonds under the Multifamily New Issue Bond Program (the “**NIBP Program**”) announced by the United States Department of the Treasury (“**Treasury**”), Fannie Mae and Freddie Mac. The Series 2009A Bonds were purchased by Fannie Mae and Freddie Mac (the “**Purchasers**” or the “**GSEs**”) pursuant to the NIBP Program, the Bond Resolution, the First Amendatory Resolution, the Series 2009A Determination, the Trust Indenture and the Series 2009A Supplemental Indenture. Proceeds derived from the sale of the Series 2009A Bonds in an amount equal to \$184,080,000 were deposited in the Series 2009A Escrow Account in the Program Fund established by the Trust Indenture and the Series 2009A Supplemental Indenture. Under the NIBP Program, the Purchasers exchanged the Series 2009A Bonds for securities issued by the Purchasers (“**GSE Securities**”) backed by the Series 2009A Bonds, which securities were then purchased by the Treasury. Such GSE Securities are not part of the security for the Bonds. The Series 2009A Bonds bear interest at a short term variable rate and the interest rate calculation method may be converted in up to six tranches prior to December 31, 2011.

The release of amounts held in the 2009 Series A Escrow Account to become available to make Mortgage Loans depends upon compliance with various conditions set forth in agreements between the Authority and the Purchasers and in the Trust Indenture and the Series 2009A Supplemental Indenture. Upon the satisfaction of the conditions precedent to the release of funds from the Series 2009A Escrow Account, the Authority expects to release the Released Amount from the Series 2009A Escrow Account on the Release Date. A portion of the Series 2009A Bonds corresponding to the Released Amount will be converted and re-designated as the Series 2009E Bonds on the Release Date pursuant to the Series 2009E Determination and the Series 2009E Supplemental Indenture.

**SOURCES AND USES OF FUNDS**

The estimated sources and uses of funds (net of accrued interest) in connection with the conversion and redesignation of the Series 2009E Bonds are as follows:

**Sources**

Released Amount	\$7,700,000.00
Other Sources*	<u>371,564.00</u>
 Total Sources	 <u><u>\$8,071,564.00</u></u>

**Uses**

Deposit to Series 2009E Project	
Sub-Account	\$7,700,000.00
Deposit to the Reserve Fund	0.00
Capitalized Interest	0.00
Costs of Issuance	281,364.00
GSE Fees	<u>90,200.00</u>
 Total Uses	 <u><u>\$8,071,564.00</u></u>

\*Includes Series 2009E Developer contribution

**THE AUTHORITY**

**Membership**

The Authority consists of nine Members appointed by the Governor of the State (the “**Governor**”) with the advice and consent of the State Senate. The Act provides that not more than three Members shall be from any one county in the State, not more than five shall be of any one political party, and at least one shall be a person of age 60 or older. Members hold office from the second Monday in January of the year of their respective appointments for a term of four years and until their successors are appointed and qualified. The concurrence of five Members is required for action by the Authority. The Governor designates a Chairman from among the Members, and the Chairman is considered to be a Member for purposes of concurrence. The Chairman is the Authority’s chief executive officer. The Members of the Authority serve without compensation. The Authority has determined by resolution to indemnify its Members and officers for any actions taken or omitted to be taken in performing their duties, except actions or omissions which constitute gross negligence or malfeasance. The Members of the Authority are:

TERRY E. NEWMAN, Chairman – Partner, Katten Muchin Rosenman LLP

KAREN DAVIS, Vice Chair – Executive Administrator, Friendly Temple Church

MARK KOCHAN, Secretary – Attorney, Kochan & Kochan P.C.

MARY KANE, Treasurer – Senior Vice President, Stifel, Nicolaus & Company, Inc.

WILLIAM J. MALLERIS, Member – Developer (Retired).

MELODY REYNOLDS, Member – Executive Director, Advocates for Access

DEBORAH H. TELMAN, Member – Division Counsel, Abbott Laboratories

There are currently two vacancies in the Authority's membership.

## **Management**

Gloria L. Materre, the Authority's Executive Director, Phillip Culpepper, the Authority's Deputy Executive Director and Chief of Staff, and Robert W. Kugel, the Authority's Chief Financial Officer, Assistant Executive Director and Assistant Treasurer, resigned. Mary R. Kenney, the Authority's General Counsel, left the Authority in October 2010 and was replaced by Maureen Ohle as General Counsel. Ms. Kenney was appointed as the Authority's new Executive Director on April 15, 2011. Bryan Zises became the Authority's Assistant Executive Director and Chief of Staff in May 2010. Michele Williams replaced James Kregor as the Authority's Controller effective in May 2010. Hazim Taib has been appointed Chief Financial Officer and Assistant Treasurer.

MARY R. KENNEY, Executive Director, returned to the Authority in March 2011. She previously served as the Authority's General Counsel over the period of August 2000 through October 2010. Ms. Kenney also served as an administrator in the Authority's Portfolio Administration Department from 1988 through 1991. Ms. Kenney earned her law degree from the School of Law of Loyola University of Chicago. After law school, she joined the Chicago law firm of Johnson & Bell in 1994 where she specialized in litigation. She also holds a Bachelor of Science degree in finance from DePaul University, where she concentrated in real estate and graduated with honors.

BRYAN ZISES, Assistant Executive Director and Chief of Staff, returned to the Authority in May 2011 as Assistant Executive Director and Chief of Staff where he oversees programmatic and personnel aspects of the Authority. He obtained a depth of affordable housing finance knowledge from his previous roles as Public Affairs Director at the Authority from 2003 to 2006, as well as Communications Director at the Chicago Housing Authority, one of the largest public housing authorities in the nation. Bryan is a skilled public relations and communications specialist with more than twenty years experience in public finance, political campaigns, government, and media production. He holds a Bachelor of Arts degree in Political Science from the University of Chicago and a Master of Fine Arts degree in Film, with a focus on marketing, management and creative development, from the University of Southern California.

MAUREEN G. OHLE, General Counsel, joined the Authority in November of 2010 as Senior Counsel and was promoted to General Counsel in August 2011. Before joining the Authority, she worked in the real estate group at Sidley Austin LLP, practicing out of the firm's Chicago office. Prior to this, she worked for J.P. Morgan Chase Bank, N.A. in the commercial mortgage-backed securities group, having started her legal career at Sidley Austin's Washington, DC. office from 2001 to 2007. Maureen holds a Bachelor of Arts degree in Political Studies from the University of Illinois-Springfield and a Juris Doctorate degree from The Catholic University of America Columbus School of Law.

HAZIM TAIB, Chief Financial Officer and Assistant Treasurer, has been with the Authority since 1998. His responsibilities include overseeing the Authority's assets and liabilities, managing its



capital budget along with its credit risk and rating. He has extensive experience in bond structuring, cash modeling, tax exempt issuance and rating agency requirements. Mr. Taib holds a Master of Business Administration degree with emphasis in statistics and a Bachelor of Science degree in finance from Indiana State University and a degree in Public Administration from Universiti Teknologi MARA, Malaysia.

MICHELE WILLIAMS, Controller, joined the Authority in May 2010. Ms. Williams is a Certified Public Accountant with a bachelor's degree in accounting. She has over 15 years experience in accounting and taxes for small business, industry and not-for-profit companies.

For additional information concerning the Authority and its programs, see "THE AUTHORITY" and "OTHER AUTHORITY PROGRAMS" in the Original Official Statement attached as Appendix D.

## **SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2009E BONDS**

### **Trust Estate**

In the Series 2009E Supplemental Indenture, the Authority grants to the Trustee a security interest in the following property (the "**Trust Estate**") to secure the Series 2009E Bonds. The Trust Estate is granted to the Trustee in order to secure the payment of principal of, premium, if any, and interest on the Series 2009E Bonds according to their tenor and effect, the payment to Freddie Mac of the Freddie Mac Reimbursement Amount and the Freddie Mac Credit Enhancement Fee (each as defined in the Reimbursement Agreement), and the performance and observance by the Authority of all the covenants expressed or implied in the Series 2009E Supplemental Indenture and in the Series 2009E Bonds:

(a) all right, title and interest of the Authority in and to all Revenues (as defined below);

(b) all right, title and interest of the Authority in and to the Financing Agreement, the Bond Mortgage Note, the Bond Mortgage (other than the Unassigned Rights as defined in the Series 2009E Supplemental Indenture), and the Freddie Mac Credit Enhancement or any substitute or replacement credit enhancement facility, including all extensions and renewals of the terms thereof, if any, including, but without limiting the generality of the foregoing, the present and continuing right to receive, receipt for, collect or make claim for any of the moneys, income, revenues, issues, profits and other amounts payable or receivable thereunder (including all casualty insurance benefits or condemnation awards subject to the interest of Freddie Mac under the Reimbursement Agreement and the Intercreditor Agreement), whether payable under the above-referenced documents or otherwise, to bring actions and proceedings thereunder or for the enforcement thereof, and to do any and all things which the Authority or any other person is or may become entitled to do under said documents; and

(c) except for funds, money or securities in the Series 2009E Cost of Issuance Account, the Series 2009E Administration Account, the Series 2009E Borrower Equity Sub-Account, the Series 2009E Credit Facility Reimbursement Account, and the Series 2009E Rebate Account (described below under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE SERIES 2009E SUPPLEMENTAL INDENTURE APPLICABLE TO THE SERIES 2009E BONDS—Establishment of Funds, Accounts and Sub-Accounts"), all funds, money and securities and any and all other rights and interests in property whether tangible or intangible from time to time thereafter by delivery or by writing of any kind, conveyed, mortgaged, pledged, assigned or transferred as and for additional security under the Series 2009E

Supplemental Indenture for the Series 2009E Bonds by the Authority or by anyone on its behalf or with its written consent to the Trustee, which is authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms of the Series 2009E Supplemental Indenture.

The Trust Estate is granted for the equal and proportionate benefit, security and protection of all Holders of the Series 2009E Bonds issued under and secured by the Series 2009E Supplemental Indenture without privilege, priority or distinction as to lien or otherwise of any of the Series 2009E Bonds over any of the other Series 2009E Bonds, except as set forth in the Series 2009E Supplemental Indenture, and for the benefit, security and protection of Freddie Mac to the extent of its interests under the Series 2009E Supplemental Indenture and under the Reimbursement Agreement and the Intercreditor Agreement (each as defined below).

The term “**Revenues**” means (a) all payments made with respect to the Bond Mortgage Loan pursuant to the Financing Agreement, the Bond Mortgage Note or the Bond Mortgage, including all casualty or other insurance benefits and condemnation awards paid in connection therewith, subject in all events to the interests of Freddie Mac therein under the terms of the Freddie Mac Credit Enhancement and the Reimbursement Security Documents (as defined in the Reimbursement Agreement), (b) payments made by Freddie Mac pursuant to the Freddie Mac Credit Enhancement, and (c) all money and securities held by the Trustee in the funds and accounts established pursuant to the Series 2009E Supplemental Indenture (excluding money or securities designated for deposit in and held in the Series 2009E Cost of Issuance Account, the Series 2009E Administration Account, the Series 2009E Borrower Equity Sub-Account, the Series 2009E Credit Facility Reimbursement Account, and the Series 2009E Rebate Account), together with all investment earnings thereon.

### **Pledge of Revenues and Assets**

The pledge and assignment of and the security interest granted in the Trust Estate pursuant to the Series 2009E Supplemental Indenture shall attach, be perfected and be valid and binding from and after the time of the delivery of the Series 2009E Bonds by the Trustee or by any Person authorized by the Trustee to deliver the Series 2009E 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 Authority irrespective of whether such parties have notice thereof.

### **Credit Enhancement of the Series 2009E Bonds**

The Series 2009E Bonds are secured by the Freddie Mac Credit Enhancement. Pursuant to the Freddie Mac Credit Enhancement, subject to certain requirements set forth therein, Freddie Mac will be required to pay Guaranteed Payments with respect to the Series 2009E Mortgage Loan when and in the amounts due, and the Purchase Price of the Series 2009E Bonds in the event of a purchase in lieu of redemption in accordance with the terms of the Series 2009E Supplemental Indenture and the Freddie Mac Credit Enhancement. The form of the Freddie Mac Credit Enhancement is attached as Appendix E. The Freddie Mac Credit Enhancement was issued pursuant to the Reimbursement Agreement and the Intercreditor Agreement. For information concerning Freddie Mac, see below under the caption “FREDDIE MAC.”

FREDDIE MAC’S OBLIGATIONS WITH RESPECT TO THE SERIES 2009E BONDS ARE SOLELY AS PROVIDED IN THE FREDDIE MAC CREDIT ENHANCEMENT. THE OBLIGATIONS OF FREDDIE MAC UNDER THE

FREDDIE MAC CREDIT ENHANCEMENT WILL BE OBLIGATIONS SOLELY OF FREDDIE MAC, A SHAREHOLDER-OWNED, GOVERNMENT-SPONSORED ENTERPRISE ORGANIZED UNDER THE LAWS OF THE UNITED STATES OF AMERICA. FREDDIE MAC HAS NO OBLIGATION TO PURCHASE, DIRECTLY OR INDIRECTLY, ANY OF THE SERIES 2009E BONDS, BUT WILL BE OBLIGATED, PURSUANT TO THE FREDDIE MAC CREDIT ENHANCEMENT, TO PROVIDE FUNDS TO THE TRUSTEE TO PAY THE PURCHASE PRICE OF THE SERIES 2009E BONDS UNDER THE CIRCUMSTANCES DESCRIBED HEREIN. THE SERIES 2009E BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, ANY AGENCY THEREOF, OR OF FREDDIE MAC, AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA OR BY FREDDIE MAC.

### **Limited Obligations of the Authority**

THE SERIES 2009E BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM THE REVENUES AND OTHER FUNDS AND MONEYS PLEDGED AND ASSIGNED UNDER THE INDENTURE, INCLUDING MONEYS DRAWN UNDER THE FREDDIE MAC CREDIT ENHANCEMENT. NEITHER THE AUTHORITY, ANY OF ITS PROGRAM PARTICIPANTS, THE STATE OF ILLINOIS (THE “STATE”), ANY POLITICAL SUBDIVISION OF THE STATE (EXCEPT THE AUTHORITY, TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE) NOR ANY PUBLIC AGENCY SHALL IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM (IF ANY) OR INTEREST ON THE SERIES 2009E BONDS OR FOR THE PERFORMANCE OF ANY PLEDGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER EXCEPT AS SET FORTH IN THE INDENTURE, AND NONE OF THE SERIES 2009E BONDS OR ANY OF THE AUTHORITY’S AGREEMENTS OR OBLIGATIONS SHALL BE CONSTRUED TO CONSTITUTE AN INDEBTEDNESS OF OR A PLEDGE OF THE FAITH AND CREDIT OF OR A LOAN OF THE CREDIT OF OR A MORAL OBLIGATION OF ANY OF THE FOREGOING WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER. THE AUTHORITY HAS NO TAXING POWER.

### **FREDDIE MAC**

*The information under this heading has been provided solely by Freddie Mac and has not been independently verified by the Authority, the Series 2009E Developer, or any of their respective counsel, members, officers, agents or employees. No representation as to the accuracy, adequacy or completeness of such information is made by the Authority, the Series 2009E Developer, or any of their respective counsel, members, officers, agents or employees. The information is qualified in its entirety by reference to the Incorporated Documents, as defined below.*

Freddie Mac is a shareholder-owned government-sponsored enterprise created on July 24, 1970 pursuant to the Federal Home Loan Mortgage Corporation Act, Title III of the Emergency Home Finance Act of 1970, as amended, 12 U.S.C. §§ 1451-1459 (the “**Freddie Mac Act**”). Freddie Mac’s statutory mission is (i) to provide stability in the secondary market for residential mortgages; (ii) to respond appropriately to the private capital market; (iii) to provide ongoing assistance to the secondary market for residential mortgages (including activities relating to mortgages on housing for low- and moderate-income families involving a reasonable economic return that may be less than the return earned on other activities); and (iv) to promote access to mortgage credit throughout the United States (including central cities, rural areas and underserved areas) by increasing the liquidity of mortgage financing. Neither the United States of America nor any agency or instrumentality of the United States of America is obligated, either directly or indirectly, to fund the mortgage purchase or financing activities of Freddie Mac or to guarantee Freddie Mac’s securities or obligations.

Freddie Mac’s principal business consists of the purchase of (i) first-lien, conventional residential mortgages subject to certain maximum loan limits and other underwriting requirements under the Freddie

Mac Act and (ii) securities backed by such mortgages. Freddie Mac finances its mortgage purchases and mortgage-backed securities purchases through the issuance of a variety of securities, primarily pass-through mortgage participation certificates and unsecured debt, as well as with cash and equity capital.

On September 7, 2008, the Director of the Federal Housing Finance Agency (“**FHFA**”) appointed FHFA as conservator of Freddie Mac in accordance with the Federal Housing Finance Reform Act of 2008, as amended (the “**Reform Act**”), and the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended. On September 7, 2008, in connection with the appointment of FHFA as conservator, Freddie Mac and the U.S. Department of the Treasury (“**Treasury**”) entered into a Senior Preferred Stock Purchase Agreement. Also, pursuant to its authority under the Reform Act, Treasury announced that it has established the Government Sponsored Enterprise Credit Facility (a lending facility to ensure credit availability to Freddie Mac, Fannie Mae, and the Federal Home Loan Banks that will provide secured funding on an as needed basis under terms and conditions established by the Treasury Secretary to protect taxpayers) and a program under which Treasury will purchase Government Sponsored Enterprise (including Freddie Mac) mortgage-backed securities (“**MBS**”) in the open market. The announcements by FHFA and Treasury and descriptions of these programs are available at their respective websites: <http://www.ofheo.gov> and <http://www.treasury.gov>.

Freddie Mac registered its common stock with the U.S. Securities and Exchange Commission (the “**SEC**”) under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), effective July 18, 2008. As a result, Freddie Mac files annual, quarterly and current reports, proxy statements and other information with the SEC. Prior to July 18, 2008, Freddie Mac prepared an annual Information Statement (containing annual financial disclosures and audited consolidated financial statements) and Information Statement Supplements (containing periodic updates to the annual Information Statement).

As described below, Freddie Mac incorporates certain documents by reference in this Official Statement, which means that Freddie Mac is disclosing information to you by referring you to those documents rather than by providing you with separate copies. Freddie Mac incorporates by reference in this Official Statement its proxy statement, and all documents that Freddie Mac files with the SEC pursuant to Section 13(a), 13(c) or 14 of the Exchange Act, after July 18, 2008 and prior to the completion of the offering of the Series 2009E Bonds, excluding any information that Freddie Mac may “furnish” to the SEC but that is not deemed to be “filed.” Freddie Mac also incorporates by reference its Registration Statement on Form 10, in the form declared effective by the SEC on July 18, 2008 (the “**Registration Statement**”). These documents are collectively referred to as the “**Incorporated Documents**” and are considered part of this Official Statement. You should read this Official Statement, in conjunction with the Incorporated Documents. Information that Freddie Mac incorporates by reference will automatically update information in this Official Statement. Therefore, you should rely only on the most current information provided or incorporated by reference in this Official Statement.

You may read and copy any document Freddie Mac files with the SEC at the SEC’s public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. These SEC filings are also available to the public from the SEC’s web site at <http://www.sec.gov>.

Freddie Mac has not provided or approved any information in this Official Statement except with respect to the descriptions under the caption “FREDDIE MAC”. Freddie Mac makes no representation as to the contents of this Official Statement, the suitability of the Series 2009E Bonds for any investor, the feasibility of performance of any project, or compliance with any securities, tax or other laws or

regulations. Freddie Mac's role with respect to the Series 2009E Bonds is limited to entering into and performing its obligations under the Freddie Mac Credit Enhancement described herein.

## THE SERIES 2009E BONDS

### General

The Series 2009E Bonds are dated December 30, 2009, will mature on November 1, 2042 (the "**Stated Maturity**"), and will bear interest from November 17, 2011 (the "**Release Date**") to but excluding January 17, 2012 (the "**Conversion Date**") at a rate per annum equal to the lesser of (a) the interest rate for four week Treasury bills as of the Business Day prior to the Release Date plus 60 basis points or (b) 2.32%, payable on the Conversion Date. On and after the Conversion Date, the Series 2009E Bonds will bear interest at a rate per annum equal to 2.32% per annum, payable (i) on each March 1 and September 1, commencing March 1, 2012, (ii) with respect to Series 2009E Bonds redeemed or purchased in lieu of redemption as described below, on the date of redemption or purchase, and (iii) on the Stated Maturity (each an "**Interest Payment Date**") until payment of the principal thereof. Interest on the Series 2009E Bonds is payable on each Interest Payment Date, in each case from the Interest Payment Date next preceding the date of authentication thereof to which interest has been paid or duly provided for, unless the date of authentication is an Interest Payment Date to which interest has been paid or duly provided for, in which case from the date of authentication of the Series 2009E Bond, or unless no interest has been paid or duly provided for on the Series 2009E Bonds, in which case from the Release Date, until payment of the principal of the Series 2009E Bond has been made or duly provided for. Notwithstanding the foregoing, if a Series 2009E Bond is authenticated after a Record Date and before the following Interest Payment Date, such Series 2009E Bond will bear interest from such Interest Payment Date; *provided*, that if there is a default in the payment of interest due on such Interest Payment Date, then the Series 2009E Bonds shall bear interest from the next preceding Interest Payment Date to which interest has been paid or duly provided for, or, if no interest has been paid or duly provided for on the Series 2009E Bonds, from the Release Date. The Series 2009E Bonds are issuable in authorized denominations of \$5,000 principal amount and integral multiples of that amount and, for purposes of the release and redemption of the Bonds, \$10,000 principal amount or any integral multiple of \$10,000 in excess thereof. The Series 2009E Bonds initially will be registered in the name of Cede & Co., as registered owner and nominee for DTC, which will act as securities depository for the Series 2009E Bonds. If any such dates are not business days, then payments will be made on the next business day. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The term "**Record Date**" means the 15th day of the month preceding the month in which any Interest Payment Date falls.

Payment of the principal of and the interest on the Series 2009E Bonds on the Stated Maturity will be made upon the presentation and surrender of the Series 2009E Bonds. All payments of interest on and principal of, the Series 2009E Bonds will be paid through DTC in accordance with its normal procedures, which as of the date of this Supplement No. 4 provide for payment by the Securities Depository to its Direct Participants (as defined under the caption "BOOK-ENTRY ONLY SYSTEM" in the Original Official Statement attached as Appendix D).

### Redemption Provisions

**Optional Redemption.** The Series 2009E Bonds are subject to optional redemption in increments of \$10,000 from payments made under the Freddie Mac Credit Enhancement or with other Eligible Funds deposited with the Trustee, with the prior written consent of Freddie Mac, in whole or in

part, upon optional prepayments on the Series 2009E Mortgage Loan in accordance with the prepayment restrictions set forth in the Series 2009E Mortgage Note and the Financing Agreement, on the first Business Day of any calendar month, at the redemption price of 100% of the principal amount to be redeemed plus accrued interest, if any, to the redemption date. The Trustee must effect an optional redemption of Series 2009E Bonds at the earliest practicable date for which notice may be given under the Indenture but in no event later than 35 days following its receipt of money representing an optional prepayment of the Series 2009E Mortgage Loan.

The term “**Eligible Funds**” means (a) proceeds received pursuant to the Freddie Mac Credit Enhancement, (b) proceeds of the Series 2009E Bonds released from escrow on the Release Date in connection with the conversion of the Series 2009E Bonds, (c) proceeds from the investment or reinvestment of money described in clauses (a) and (b) above, or (d) money delivered to the Trustee and accompanied by a written opinion, acceptable to each Rating Agency, of nationally recognized counsel experienced in bankruptcy matters to the effect that if the Series 2009E Developer, any general partner, member or guarantor of the Series 2009E Developer, or the Authority were to become a debtor in a proceeding under Title 11 of the United States Code, as amended, or any successor federal statute (the “**Bankruptcy Code**”): (i) payment of such money to holders of the Series 2009E Bonds would not constitute a voidable preference under the Bankruptcy Code and (ii) the automatic stay provisions of the Bankruptcy Code would not prevent application of such money to the payment of the Series 2009E Bonds.

**Special Mandatory Redemption.** The Series 2009E Bonds are subject to special mandatory redemption in whole or in part from payments made under the Freddie Mac Credit Enhancement on the earliest practicable Redemption Date for which timely notice of redemption can be given pursuant the Indenture following the occurrence of the event requiring such redemption. Events requiring special mandatory redemption include (i) receipt of proceeds of casualty insurance or condemnation awards paid as a prepayment of the Series 2009E Mortgage Loan, (ii) receipt by the Trustee of a written direction from Freddie Mac to redeem the Series 2009E Bonds in whole or in part as a result of an event of default under certain documents relating to the Series 2009E Mortgage Loan, (iii) expiration of the Freddie Mac Credit Enhancement, (iv) in connection with a Mandatory Paydown on or prior to the Required Completion Date (each as defined in the Series 2009E Supplemental Indenture), and (v) if moneys remain in the applicable project account after the Series 2009E Development is completed. Series 2009E Bonds will be so redeemed at a redemption price equal to 100 percent of the principal amount of such Series 2009E Bonds plus accrued interest to the Redemption Date.

**Mandatory Sinking Fund Redemption.** The Series 2009E Bonds are subject to mandatory sinking fund redemption on each March 1 and September 1, commencing March 1, 2016, in Authorized Denominations (as defined in the Indenture) in an amount not greater than the amount on deposit in the Series 2009E Credit Facility Principal Reimbursement Sub-Account, representing (among other things) scheduled monthly principal deposits pursuant to the Reimbursement Agreement, available therefor on the first day of the month immediately preceding such Interest Payment Date. Series 2009E Bonds will be so redeemed at a redemption price equal to 100 percent of the principal amount of such Series 2009E Bonds plus accrued interest to the Redemption Date.

**Notice of Redemption.** Notice of the intended redemption of each Series 2009E Bond will be given by the Trustee by first class mail, postage prepaid, or by facsimile transmission, to the Holder at the address of such Holder shown on the bond register maintained by the Trustee and, as required by the Indenture, by facsimile or Electronic Notice (as defined in the Series 2009E Supplemental Indenture) to the “Program Notice Parties” as defined in the Series 2009E Supplemental Indenture. All such

redemption notices must be given not less than twenty (20) days (not less than thirty (30) days in the case of optional or mandatory sinking fund redemptions) nor more than sixty (60) days prior to the date fixed for redemption. The Trustee may provide a conditional notice of redemption upon the direction of Freddie Mac or the Series 2009E Developer (with the prior written consent of Freddie Mac).

Notices of redemption must state the redemption date and the redemption price, the place or places where amounts due upon such redemption will be payable and, if less than all of the then Outstanding Series 2009E Bonds are called for redemption, shall state (i) the numbers of the Series 2009E Bonds to be redeemed by giving the individual certificate number of each Series 2009E Bond to be redeemed or shall state that all Series 2009E Bonds between two stated certificate numbers, both inclusive, are to be redeemed or that all of the Series 2009E Bonds of one or more maturities have been called for redemption only if Series 2009E Bonds cease to be book entry bonds; (ii) the CUSIP numbers of all Series 2009E Bonds being redeemed if available; (iii) the amount of each Series 2009E Bond being redeemed (in the case of a partial redemption); (iv) the date of issue of the Series 2009E Bond as originally issued; (v) the rate of interest borne by each Series 2009E Bond redeemed; (vi) the maturity date of each Series 2009E Bond being redeemed; (vii) the possibility of a purchase of Series 2009E Bonds in lieu of redemption, if applicable; (viii) the conditions, if any, which must be satisfied in order for the redemption to take place on the scheduled date of redemption, including that Eligible Funds are available to pay any redemption premium or the redemption price, as and if applicable, on the Series 2009E Bonds; and (ix) any other descriptive information needed to identify accurately the Series 2009E Bonds being redeemed.

Each notice of redemption must state that further interest on such Series 2009E Bonds will not accrue from and after the redemption date and that payment of the principal amount and premium, if any, will be made upon presentation and surrender of the Series 2009E Bonds at the principal office of the Trustee unless the Series 2009E Bonds are then held in a book-entry only system of registration.

Notice of such redemption must also be sent by first class mail, overnight delivery service, facsimile transmission or other secure means, postage prepaid, to Freddie Mac, to the Servicer, to the Rating Agencies, to DTC or any successor securities depository and to the Municipal Securities Rulemaking Board or any successor designated by the Securities and Exchange Commission that disseminates securities redemption notices, when possible, not later than the time of mailing of notices required by the first paragraph above, and in any event no later than simultaneously with the mailing of notices required by the first paragraph above; *provided*, that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Series 2009E Bonds.

In addition to providing notice of redemption as set forth above, if the Series 2009E Bonds are no longer held in book-entry form, the Trustee is required to send a second notice of redemption within sixty (60) days following the redemption date, by first class mail, overnight delivery service, or other secure means, postage prepaid to the Holders of any Series 2009E Bonds called for redemption, at their addresses appearing on the bond register as of the Record Date immediately preceding the redemption date, who have not surrendered their Series 2009E Bonds for redemption within thirty (30) days following the redemption date.

Failure to give notice by mailing to the registered Owner of any Series 2009E Bond designated for redemption or to any depository or information service will not affect the validity of the proceedings for the redemption of any other Series 2009E Bond if notice of such redemption shall have been mailed as provided above.

**Selection of Bonds To Be Redeemed.** Subject to the applicable provisions of the Indenture, the Trustee shall select Series 2009E Bonds subject to mandatory sinking fund redemption by lot within the appropriate maturity. If less than all the Series 2009E Bonds then Outstanding are called for redemption other than as a result of mandatory sinking fund redemption, the Trustee will redeem an amount of Series 2009E Bonds so that the resulting decrease in debt service on the Series 2009E Bonds in each semiannual period ending on an Interest Payment Date is proportional, as nearly as practicable, to the decrease in the payments on the Series 2009E Mortgage Note in each such semiannual period, and the Series 2009E Bonds shall be selected by lot within each maturity. If a portion of a Series 2009E Bond is called for redemption, then, upon surrender of such Series 2009E Bond, the Authority shall execute and the Trustee shall authenticate and deliver a new Series 2009E Bond in principal amount equal to the unredeemed portion thereof and with the same maturity, interest rate, series and tenor in any Authorized Denomination, without charge to the holder of such Series 2009E Bond. Notwithstanding the foregoing, DTC will select the Series 2009E Bonds for redemption within particular maturities according to its stated procedures.

**Redemption Restrictions and Recycling Prohibition.** Except as limited by tax law requirements, the Authority shall apply the following exclusively to the redemption of Series 2009E Bonds: (i) all proceeds of the Series 2009E Bonds, to the extent not used to fund Permitted Mortgage Loans, refund outstanding bond issues as provided in the Series 2009E Supplemental Indenture, pay Series 2009E Bond issuance expenses or fund related reserve accounts and (ii) a pro rata portion (calculated based on the outstanding principal amount of the Series 2009E Bonds divided by the sum of the outstanding principal amount of the Series 2009E Bonds and the outstanding principal amount of any bonds issued in conjunction with and secured by the Trust Estate on a parity with the Series 2009E Bonds) and 100% (if no bonds issued in conjunction with and secured by the Trust Estate on a parity with the Series 2009E Bonds are then Outstanding) of all principal prepayments and recoveries of principal received with respect to the Permitted Mortgage Loans acquired or financed with the proceeds of the Series 2009E Bonds and any such parity bonds, to the extent not used to pay scheduled principal, interest or sinking fund redemptions on Series 2009E Bonds and any bonds issued in conjunction with and secured by the Trust Estate on a parity with the Series 2009E Bonds. Notwithstanding the foregoing, tax credit equity with respect to projects funded with Permitted Mortgage Loans may be used solely to redeem related bonds issued in conjunction with Series 2009E Bonds. Amounts set forth in clause (ii) are required to be applied to the redemption of Series 2009E Bonds promptly and as provided above shall not be recycled into new Permitted Mortgage Loans. Particular series of Bonds may be redeemed with payments of specified Permitted Mortgage Loans.

**Purchase in Whole in Lieu of Redemption.** Subject to applicable provisions of the Trust Indenture, at any time the Series 2009E Bonds are subject to redemption in whole pursuant to the Series 2009E Supplemental Indenture, all (but not less than all) of the Series 2009E Bonds to be redeemed may be purchased by the Trustee (for the account of the Series 2009E Developer or Freddie Mac or their respective designee, as directed by such party) on the date which would be the redemption date at the direction of (i) Freddie Mac or (ii) the Series 2009E Developer with the prior written consent of Freddie Mac, at a purchase price (the “**Purchase Price**”) equal to the redemption price which would have been applicable to such Series 2009E Bonds on the redemption date. The Series 2009E Bonds may be purchased in lieu of redemption only from amounts provided by Freddie Mac or from other Eligible Funds.

If the Trustee is so directed to purchase Series 2009E Bonds in lieu of redemption, no notice to the holders of the Series 2009E Bonds to be so purchased (other than the notice of redemption otherwise required under the Indenture) is required, and the Trustee is authorized to apply to such purpose the funds



which would have been used to pay the redemption price for such Series 2009E Bonds if such Series 2009E Bonds had been redeemed rather than purchased. Series 2009E Bonds so purchased for the account of the Series 2009E Developer will constitute “**Purchased Bonds**” held by the Custodian pursuant to the Pledge Agreement (as each such term is defined in the Series 2009E Supplemental Indenture). Freddie Mac has the right to direct the transfer of Purchased Bonds (without reinstatement of the then existing Freddie Mac Credit Enhancement) to Freddie Mac or any subsidiary of Freddie Mac, or to a single Bondholder which has provided the Trustee with an investment letter in appropriate form, *provided* that any transfer to a single Bondholder requires delivery of an opinion of Bond Counsel to the Trustee to the effect that such transfer will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2009E Bonds. Such Purchased Bonds, if not transferred as provided above, will be deemed redeemed and cancelled automatically by the Trustee on the date which is not later than two (2) years from the date of purchase, unless an opinion of Bond Counsel is delivered to the Trustee to the effect that not redeeming and canceling such Purchased Bonds will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2009E Bonds. Any purchase of Series 2009E Bonds is not intended as an extinguishment of the indebtedness represented by the Series 2009E Bonds.

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

The Series 2009E Bonds are issuable only in registered form. DTC will act as securities depository for the Series 2009E Bonds and its nominee will be the registered owner of the Series 2009E Bonds. See “BOOK-ENTRY ONLY SYSTEM” in the Original Official Statement in Appendix D.

## **SUMMARY OF CERTAIN PROVISIONS OF THE SERIES 2009E SUPPLEMENTAL INDENTURE APPLICABLE TO THE SERIES 2009E BONDS**

### **Drawings Under Freddie Mac Credit Enhancement**

The Series 2009E Supplemental Indenture provides that the Trustee will hold the Freddie Mac Credit Enhancement and draw upon it in accordance with its terms and the provisions of the Series 2009E Supplemental Indenture. Money derived from draws upon the Freddie Mac Credit Enhancement must be deposited in the Series 2009E Credit Facility Sub-Account of the Series 2009E Revenue Account and applied by the Trustee to pay the principal of and interest on the Series 2009E Bonds and, in the event of a purchase of the Series 2009E Bonds in lieu of redemption, to pay, to the extent provided in the Freddie Mac Credit Enhancement, the Purchase Price of the Series 2009E Bonds in accordance with the Series 2009E Supplemental Indenture.

The Series 2009E Supplemental Indenture directs the Trustee to draw money under the Freddie Mac Credit Enhancement in accordance with its terms when needed and in amounts sufficient to make timely payments of the principal of and interest, but not premium, on the Series 2009E Bonds when due and payable. Should Freddie Mac become the owner of the Series 2009E Development by foreclosure or otherwise, the Trustee nevertheless must continue to make payments on the Series 2009E Bonds only from draws on the Freddie Mac Credit Enhancement or from other Eligible Funds.

### **Investment of Funds**

The money held by the Trustee constitutes trust funds for the purposes of the Indenture. Any money attributable to the funds and accounts under the Series 2009E Supplemental Indenture must, except as otherwise expressly provided therein, be invested by the Trustee, at the written direction of the

Series 2009E Developer (or, in the case of the Series 2009E Rebate Account, at the written instruction of Bond Counsel pursuant to the Series 2009E Supplemental Indenture), in Qualified Investments (as defined below) which mature or are subject to redemption or withdrawal at par without penalty on or prior to the earlier of (i) six (6) months from the date of investment and (ii) the date such money is needed; *provided*, that if the Trustee has entered into an investment agreement requiring investment of money in any fund or account under the Series 2009E Supplemental Indenture in accordance with such investment agreement and if such investment agreement constitutes a Qualified Investment, such money must be invested in accordance with such requirements; and *provided further*, that all amounts on deposit in the Series 2009E Credit Facility Reimbursement Account and the Series 2009E Credit Facility Sub-Account must be held uninvested or invested only in Government Obligations or in Qualified Investments of the type described in subparagraph (g) of the definition thereof which, in any case, mature or are subject to redemption or withdrawal at par without penalty on or prior to the earlier of: (i) 30 days from the date of investment and (ii) the date such money is required to be applied pursuant to the provisions of the Series 2009E Supplemental Indenture. Such investments may be made through the investment or securities department of the Trustee. The Trustee may purchase from or sell to itself or an affiliate, as principal or agent, securities authorized under the Series 2009E Supplemental Indenture. The Trustee is entitled to assume, absent receipt by the Trustee of written notice to the contrary, that any investment which at the time of purchase is a Qualified Investment remains a Qualified Investment thereafter.

The Series 2009E Supplemental Indenture provides that investments of moneys in a fund or account must be sold at the best price obtainable (at least par) whenever it is necessary so to do in order to provide money to make any transfer, withdrawal, payment or disbursement from said fund or account. In the case of any required transfer of money to another such fund or account, such investments may be transferred to that fund or account in lieu of the required money if permitted by the Series 2009E Supplemental Indenture as an investment of money in that fund or account. The Trustee is not liable or responsible for any loss resulting from any investment made in accordance with the Series 2009E Supplemental Indenture. In computing for any purpose under the Series 2009E Supplemental Indenture the amount in any fund or account on any date, obligations so purchased will be valued at Fair Market Value (as defined in the Series 2009E Supplemental Indenture).

### **Qualified Investments**

“**Qualified Investments**” means, with respect to the funds, accounts and subaccounts created by the Series 2009E Supplemental Indenture, any of the following if and to the extent permitted by law:

- (a) direct and general obligations of the United States of America;
- (b) obligations of any agency or instrumentality of the United States of America the payment of the principal of and interest on which are unconditionally guaranteed by the full faith and credit of the United States of America;
- (c) senior debt obligations of Freddie Mac;
- (d) senior debt obligations of Fannie Mae;
- (e) demand deposits or time deposits with, or certificates of deposit issued by, the Trustee or its affiliates or any bank organized under the laws of the United States of America or any state or the District of Columbia which has combined capital, surplus and undivided profits of not less than \$50,000,000; *provided* that the Trustee or such other institution has been rated at

least “VMIG-1”/”A-1+” by Moody’s/S&P, which deposits or certificates are fully insured by the Federal Deposit Insurance Corporation or collateralized pursuant to the requirements of the Office of the Comptroller of the Currency;

(f) investment agreements with Freddie Mac or a bank or any insurance company or other financial institution which has a rating assigned by Moody’s/S&P to its outstanding long-term unsecured debt which is the highest rating (as defined below) for long-term unsecured debt obligations assigned by Moody’s/S&P, and which are approved by Freddie Mac;

(g) shares or units in any money market mutual fund rated “Aaa”/“AA+” by Moody’s/S&P (or if a new rating scale is implemented, the equivalent 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 receives reasonable compensation therefor) registered under the Investment Company Act of 1940, as amended, whose investment portfolio consists solely of (A) direct obligations of the government of the United States of America, or (B) tax exempt obligations;

(h) tax-exempt obligations rated in the highest short term rating category by Moody’s or S&P, or shares of a tax-exempt municipal money market mutual fund or other collective investment fund registered under the federal Investment Company Act of 1940, whose shares are registered under the federal Securities Act of 1933, having assets of at least \$100,000,000, and having a rating of “Aaa”/“AA+” by Moody’s/S&P (or if a new rating scale is implemented, the equivalent rating category given by the Rating Agency for that general category of security), for which at least 95% of the income paid to the holders on interest in such money market fund will be excludable from gross income under Section 103 of the Code, including money market funds for which the Trustee or its affiliates receive a fee for investment advisory or other services to the fund; and

(i) any other investments approved in writing by Freddie Mac.

For purposes of this definition, the term “**highest rating**” shall mean a rating of at least “VMIG-1”/”A-1+” for obligations with less than one year maturity; at least “Aaa”/”VMIG-1”/”AA+”/”A-1+” for obligations with a maturity of one year or greater but less than three years; and at least “Aaa”/”AA+” for obligations with a maturity of three years or greater.

Qualified Investments must be limited to instruments that have a predetermined fixed-dollar amount of principal due at maturity that cannot vary or change and interest, if tied to an index, must be tied to a single interest rate index plus a single fixed spread, if any, and move proportionately with such index.

## **Investment Income**

Qualified Investments representing an investment of money attributable to any fund or account are deemed at all times to be a part of that fund or account, and, except as otherwise may be provided expressly in the Series 2009E Supplemental Indenture, the interest thereon and any profit arising on the sale thereof will be credited to the Series 2009E General Sub-Account of the Series 2009E Revenue Account in the Revenue Fund, and any loss resulting on the sale thereof will be charged against the Series 2009E General Sub-Account.

## **Amounts Remaining in Funds and Accounts**

After full payment of (i) the Series 2009E Bonds (or after provision for payment of the Series 2009E Bonds has been made in accordance with the Indenture), (ii) the fees, charges and expenses of the Authority and the Trustee, and (iii) other amounts required to be paid under the Series 2009E Supplemental Indenture or under any Bond Mortgage Loan document, including, but not limited to, the Freddie Mac Credit Enhancement and the Reimbursement Agreement, any amounts remaining in any fund or account under the Series 2009E Supplemental Indenture (other than the Series 2009E Rebate Account) will be paid to the Series 2009E Developer; *provided*, that if a default has occurred and remains uncured under any Bond Mortgage Loan document of which the Trustee has received written notice from Freddie Mac or the Servicer, then any such amounts remaining in any fund or account (other than the Series 2009E Rebate Account) under the Series 2009E Supplemental Indenture will be paid to Freddie Mac in accordance with the Reimbursement Agreement.

## **Establishment of Funds, Accounts and Subaccounts**

The Series 2009E Supplemental Indenture establishes the following funds, accounts and subaccounts:

- (a) within the Program Fund, a Series 2009E Bond Mortgage Loan Account and within the Series 2009E Bond Mortgage Loan Account a Series 2009E Project Sub-Account, a Series 2009E Gap Bond Proceeds Sub-Account, and a Series 2009E Borrower Equity Sub-Account;
- (b) within the Revenue Fund, a Series 2009E Revenue Account and within the Series 2009E Revenue Account, a Series 2009E General Sub-Account and a Series 2009E Credit Facility Sub-Account;
- (c) within the Revenue Fund, a Series 2009E Bond Account and within the Series 2009E Bond Account, a Series 2009E Purchased Bonds Sub-Account;
- (d) within the Revenue Fund, a Series 2009E Redemption Account;
- (e) within the Revenue Fund, a Series 2009E Administration Account;
- (f) within the Program Fund, a Series 2009E Cost of Issuance Account;
- (g) A Series 2009E Credit Facility Reimbursement Account and, within it, a Series 2009E Credit Facility Principal Reimbursement Sub-Account, a Series 2009E Credit Facility Interest Reimbursement Sub-Account, and a Series 2009E Freddie Mac Collateral Sub-Account; and
- (h) within the Rebate Fund, a Series 2009E Rebate Account.

The funds, accounts and sub-accounts described above must be maintained in the corporate trust department of the Trustee as segregated trust accounts, separate and identifiable from all other funds held by the Trustee. Such funds, accounts and sub-accounts must bear a designation clearly indicating that the funds deposited in them are held for the benefit of (i) the Holders of the Series 2009E Bonds, respecting the Series 2009E Revenue Account, the Series 2009E Bond Account and the Series 2009E Redemption

Account, (ii) Freddie Mac, respecting the Series 2009E Credit Facility Reimbursement Account, (iii) the Series 2009E Developer, respecting the Series 2009E Administration Account and the Series 2009E Cost of Issuance Account, and (iv) the Authority, respecting the Series 2009E Rebate Account.

The Trustee shall, at the written direction of the Authority, and may, in its discretion, establish such additional accounts within any fund, and subaccounts within any of the accounts, as the Authority 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 relating to arbitrage, but the establishment of any such account or subaccount shall not alter or modify any of the requirements of the Series 2009E Supplemental Indenture with respect to a deposit or use of money in the funds, accounts and sub-accounts established under the Series 2009E Supplemental Indenture, or result in commingling of funds not permitted under the Series 2009E Supplemental Indenture.

### **Series 2009E Bond Mortgage Loan Account**

On the Release Date, \$3,000,000 of the Release Amount will be deposited into the Series 2009E Gap Bond Proceeds Sub-Account of the Series 2009E Bond Mortgage Loan Account and \$4,700,000 of the Released Amount will be deposited into the Series 2009E Project Sub-Account of the Series 2009E Bond Mortgage Loan Account. A portion of certain funds provided by the Series 2009E Developer from sources other than the Released Amount (the “**Borrower Equity Deposit**”) in the amount of \$-0- will be deposited into the Series 2009E Borrower Equity Sub-Account of the Series 2009E Bond Mortgage Loan Account, as well as any additional amounts delivered from time to time to the Trustee and directed by the Series 2009E Developer or the Servicer to be deposited therein (excluding any proceeds of the Series 2009E Bonds). Amounts on deposit in the Series 2009E Bond Mortgage Loan Account will be disbursed from time to time by the Trustee for the purpose of paying Costs of the Project. Amounts in the Series 2009E Bond Mortgage Loan Account will also be transferred to the Series 2009E Redemption Account, to the Series 2009E Rebate Account and to the Series 2009E Developer following completion of the Project at the times and in the manner provided in the Series 2009E Supplemental Indenture. The “**Servicer**” is the eligible servicing institution (initially, Enterprise Community Investment, Inc.) designated by Freddie Mac from time to time (which may be Freddie Mac if Freddie Mac elects to service the Bond Mortgage Loan), or its successor, as servicer of the Bond Mortgage Loan.

### **Application of Revenues and Certain Other Moneys**

(a) All Revenues must be deposited by the Trustee, promptly upon receipt, to the Series 2009E General Sub-Account of the Series 2009E Revenue Account, except (i) the Released Amount received by the Trustee on the Release Date, which shall be applied in accordance with the provisions of the Series 2009E Supplemental Indenture; (ii) amounts paid pursuant to the Freddie Mac Credit Enhancement, which shall be deposited in the Series 2009E Credit Facility Sub-Account; (iii) as otherwise specifically provided in the Series 2009E Supplemental Indenture with respect to certain deposits into the Redemption Fund; (iv) with respect to investment income to the extent required under the terms of the Series 2009E Supplemental Indenture to be retained in the funds and accounts to which it is attributable; and (v) with respect to amounts required to be transferred between funds and accounts as provided in the Series 2009E Supplemental Indenture.

(b) On each Interest Payment Date or any other date on which payment of principal of or interest on the Series 2009E Bonds becomes due and payable, the Trustee, out of money in the Series 2009E Credit Facility Sub-Account and the Series 2009E General Sub-Account of the

Series 2009E Revenue Account, is required to credit the following amounts to the following funds, but in the order and within the limitations hereinafter indicated with respect thereto, as follows:

FIRST: to the Series 2009E Bond Account from money in the Series 2009E Credit Facility Sub-Account of the Series 2009E Revenue Account, an amount equal to the principal of and interest due on the Series 2009E Bonds on such date (excluding principal of and interest on any Purchased Bonds and excluding the principal constituting a mandatory sinking fund payment on any Series 2009E Bonds on such date); and

SECOND: to the Series 2009E Redemption Account from money in the Series 2009E Credit Facility Sub-Account of the Series 2009E Revenue Account, an amount equal to the principal amount due and payable on the Series 2009E Bonds with respect to mandatory sinking fund redemption (excluding principal of any Purchased Bonds) on such date; and

THIRD: to the Series 2009E Redemption Account from money in the Series 2009E Credit Facility Sub-Account (i) amounts paid to the Trustee under the Freddie Mac Credit Enhancement to be applied to the special mandatory redemption of all or a portion of the Series 2009E Bonds pursuant to the Series 2009E Supplemental Indenture (not including a mandatory sinking fund redemption) and (ii) amounts paid to the Trustee under the Freddie Mac Credit Enhancement to be applied to the optional redemption of all or a portion of the Series 2009E Bonds pursuant to the Series 2009E Supplemental Indenture; and

FOURTH: to the Series 2009E Purchased Bonds Sub-Account in the Series 2009E Bond Account from money in the Series 2009E General Sub-Account, such amount as Freddie Mac shall advise the Trustee is equal to the interest due on the Purchased Bonds on such date.

(c) Promptly upon receipt, the Trustee shall deposit directly to the Series 2009E Redemption Account (i) net proceeds of casualty insurance or condemnation awards paid as a prepayment of the Bond Mortgage Loan, such amount to be applied to reimburse Freddie Mac for a draw under the Freddie Mac Credit Enhancement in such amount to provide for extraordinary mandatory redemption of all or a portion of the Series 2009E Bonds; (ii) Eligible Funds (other than draws under the Freddie Mac Credit Enhancement) paid to the Trustee to be applied to the optional redemption of all or a portion of the Series 2009E Bonds pursuant to the Series 2009E Supplemental Indenture; (iii) Eligible Funds (other than draws under the Fannie Mae Credit Enhancement) paid to the Trustee to be applied to the payment of any redemption premium in connection with an optional redemption of all or a portion of the Series 2009E Bonds pursuant to the Series 2009E Supplemental Indenture; and (iv) amounts transferred to the Series 2009E Redemption Account from the Series 2009E Bond Mortgage Loan Account pursuant to the Series 2009E Supplemental Indenture.

(d) Should the amount in the Series 2009E Bond Account be insufficient to pay the amount due on the Series 2009E Bonds on any given Interest Payment Date or other payment date after the transfers from the Series 2009E Credit Facility Sub-Account, the Trustee shall credit to the Series 2009E Bond Account the amount of such deficiency by charging the following funds and accounts in the following order of priority: (1) the Series 2009E General Sub-Account of the Series 2009E Revenue Account; and (2) the Series 2009E Redemption Account, except no such charge to the Series 2009E Redemption Account shall be made from money to be used to effect a redemption for which a conditional

notice of redemption, the conditions of which have been satisfied, or an unconditional notice of redemption has been provided for or from moneys which are held for payment of Series 2009E Bonds which are no longer Outstanding.

(e) At the written direction of the Series 2009E Developer, and with the written consent of Freddie Mac, together with a certificate of the Servicer that no default exists under the Bond Mortgage Loan documents, investment income deposited into the Series 2009E General Sub-Account of the Series 2009E Revenue Account shall be paid to the Series 2009E Developer semi-annually on each March 1 and September 1, commencing with the first such date after the required completion date agreed upon by the Series 2009E Developer and Freddie Mac, so long as (i) there is no deficiency in the Series 2009E Credit Facility Reimbursement Account, the Series 2009E Administration Account, the Series 2009E Rebate Account or any Custodial Escrow Account (as defined in the Series 2009E Supplemental Indenture), (ii) no default exists under the Bond Mortgage Loan, and (iii) no event of default exists under any of the Bond Mortgage Loan documents.

#### **Series 2009E Cost of Issuance Account**

A portion of the Borrower Equity Deposit in the amount of \$328,214 will be deposited into the Series 2009E Cost of Issuance Account within the Program Fund. The Trustee will use money on deposit to the credit of the Series 2009E Cost of Issuance Account to pay the costs associated with the modification, exchange and release of the Series 2009E Bonds on the Release Date or as soon as practicable thereafter in accordance with written instructions to be given to the Trustee by the Series 2009E Developer. Any investment income on amounts on deposit in the Series 2009E Cost of Issuance Account shall be retained in such fund. Amounts remaining on deposit in the Series 2009E Cost of Issuance Account six months after the Release Date will be transferred to the Series 2009E Developer.

#### **Series 2009E Bond Account**

On each Interest Payment Date, from moneys on deposit in the Series 2009E Bond Account, an amount equal to the unpaid interest and principal due on the Series 2009E Bonds on such Interest Payment Date will be applied to pay such interest and principal when due (excluding principal on any Purchased Bond). Any money remaining thereafter in the Series 2009E Bond Account on any Interest Payment Date may, to the extent there exists any deficiency in the Series 2009E Redemption Account to redeem Series 2009E Bonds called for mandatory sinking fund redemption on such Interest Payment Date, be transferred to the Series 2009E Redemption Account to be applied for such purpose. Any balance remaining in the Series 2009E Bond Account on the Business Day immediately succeeding an Interest Payment Date will be transferred to the Servicer for payment to Freddie Mac to be applied in accordance with the Reimbursement Agreement. Any investment income on amounts on deposit in the Series 2009E Bond Account will be deposited by the Trustee on or before each Interest Payment Date in the Series 2009E General Sub-Account of the Series 2009E Revenue Account.

#### **Series 2009E Redemption Account**

Moneys on deposit in the Series 2009E Redemption Account will be applied as described above under the caption “Application of Revenues and Certain Other Moneys—Third” and “—Fourth” and in paragraph (c) under such caption, *provided* that Eligible Funds (other than proceeds of draws under the Freddie Mac Credit Enhancement) in the Series 2009E Redemption Account in excess of the amounts needed to effect such redemptions will be applied to make up any deficiency in the Series 2009E Bond Account on any Interest Payment Date as described in paragraph (d) under the caption “Application of

Revenues and Certain Other Moneys” above; and *provided further* that moneys on deposit in the Series 2009E Redemption Account that are being held to pay either the redemption price of Series 2009E Bonds subject to redemption or Series 2009E Bonds which are no longer Outstanding may not be transferred to the Series 2009E Bond Account. Any investment income on amounts on deposit in the Series 2009E Bond Account will be deposited by the Trustee in the Series 2009E General Sub-Account of the Series 2009E Revenue Account.

#### **Series 2009E Administration Account**

Moneys received by the Trustee from the Servicer or the Series 2009E Developer designated for deposit into the Series 2009E Administration Account will be deposited therein. Amounts in the Series 2009E Administration Account will be withdrawn or maintained, as appropriate, by the Trustee and used to (i) pay certain administrative expenses of the Series 2009E Bonds, (ii) make up deficiencies in the Series 2009E Redemption Account, in the order of priority set forth in the Series 2009E Supplemental Indenture, and will thereafter be deposited into the Series 2009E General Sub-Account of the Series 2009E Revenue Account. Any investment income on amounts on deposit in the Series 2009E Bond Account will be deposited by the Trustee in the Series 2009E General Sub-Account of the Series 2009E Revenue Account. The Series 2009E Developer is required to make up any deficiencies in the Series 2009E Administration Account.

#### **Series 2009E Credit Facility Reimbursement Account**

(a) Moneys received by the Trustee from the Servicer designated for deposit into the Series 2009E Credit Facility Interest Reimbursement Sub-Account will be deposited therein. Amounts on deposit in the Series 2009E Credit Facility Interest Reimbursement Sub-Account will be applied by the Trustee to reimburse Freddie Mac for amounts drawn under the Freddie Mac Credit Enhancement to pay interest on the Series 2009E Bonds.

(b) Moneys received by the Trustee from the Servicer designated for deposit into the Series 2009E Credit Facility Principal Reimbursement Sub-Account will be deposited therein. Amounts on deposit in the Series 2009E Credit Facility Principal Reimbursement Sub-Account will be applied by the Trustee to reimburse Freddie Mac for amounts drawn under the Freddie Mac Credit Enhancement to pay principal of the Series 2009E Bonds.

(c) The Trustee will deposit a portion of the Borrower Equity Deposit, in the amount of \$1,074,597, into the Series 2009E Freddie Mac Collateral Sub-Account on the Release Date, as well as all other amounts received from the Servicer, the Series 2009E Developer or the tax credit equity investor designated for deposit into such Sub-Account. Amounts on deposit in the Series 2009E Freddie Mac Collateral Sub-Account will be held for the sole benefit of Freddie Mac, and will be applied by the Trustee to reimburse Freddie Mac for amounts drawn under the Freddie Mac Credit Enhancement to pay principal of and interest due on the Series 2009E Bonds subject to mandatory redemption as described in clause (vi) under the caption “THE SERIES 2009E BONDS—Redemption Provisions—Special Mandatory Redemption.” Amounts remaining in the Series 2009E Freddie Mac Collateral Sub-Account after such redemption will be released to the Series 2009E Developer upon written direction from Fannie Mae if there is no uncured event of default under the Bond Financing Documents.

(d) Any investment income on amounts on deposit in the Series 2009E Credit Facility Reimbursement Account will be retained in the respective Sub-Accounts in such Account and may be



paid to the Series 2009E Developer subject to the conditions specified in the Series 2009E Supplemental Indenture.

(e) At the written direction of Freddie Mac, the amounts on deposit in the Series 2009E Credit Facility Reimbursement Account will be used by the Trustee to pay any amounts required to be paid by the Series 2009E Developer under any Bond Mortgage Loan document, to pay any amounts owed to Freddie Mac in connection with any loan purchased by Freddie Mac and secured by the Series 2009E Development, or to pay any other amount agreed to in writing by the Series 2009E Developer and Freddie Mac; *provided* that the amounts on deposit in the Series 2009E Credit Facility Reimbursement Account must, upon the occurrence of an event of default under any Bond Mortgage Loan document, be used in any manner and for any purpose specified by Freddie Mac.

(f) In its sole discretion, Freddie Mac may (i) consent to the release of all or a portion of the amounts on deposit in the Series 2009E Credit Facility Reimbursement Account to the Series 2009E Developer after such amounts are used first to make up any deficiencies in the Series 2009E Rebate Account and/or (ii) reduce or no longer require deposits to the Series 2009E Credit Facility Reimbursement Account.

### **Series 2009E Rebate Account**

In the Series 2009E Supplemental Indenture, the Authority covenants to pay to the United States of America amounts on or before their due dates as necessary to satisfy the requirements of Section 148(f) of the Code relating to arbitrage rebate. The Authority further covenants to pay such amount to the United States, in a manner consistent with the requirements of Section 148(f) of the Code, whether or not the amount on deposit in the Series 2009E Rebate Account and available therefor is sufficient for such payment, and to establish such accounting procedures as are required to determine the amount required to be so paid. The Trustee is directed to pay from the Series 2009E Rebate Account to the United States on behalf of the Authority the full amount then required to be paid under Section 148(f) of the Code as certified and directed by the Authority in a certificate of an Authorized Officer delivered to the Trustee prior to the due date of such payment. If on any Interest Payment Date the amount on deposit in the Series 2009E Rebate Account exceeds the Series 2009E Rebate Requirement (calculated as of such Interest Payment Date), the Trustee, when directed in writing, will withdraw such excess amount and deposit it in the Revenue Fund.

### **Events of Default**

Each of the following is an event of default with respect to the Series 2009E Bonds (an “**Event of Default**”) under the Series 2009E Supplemental Indenture:

(a) failure to pay the principal of, premium, if any, or interest on any Series 2009E Bond (other than Purchased Bonds) when due, whether on an Interest Payment Date, at the stated maturity thereof, by proceedings for redemption thereof, by acceleration, or otherwise; or

(b) failure by Freddie Mac to make when due a required payment under the Freddie Mac Credit Enhancement; or

(c) failure to observe or perform any of the covenants, agreements or conditions on the part of the Authority (other than the Authority’s covenant to pay principal of, premium, if any, and interest on the Series 2009E Bonds when due) set forth in the Series 2009E

Supplemental Indenture or in the Series 2009E Bonds and the continuance thereof for a period of thirty (30) days (or such longer period, if any, as is specified in the Series 2009E Supplemental Indenture for particular defaults) after written notice thereof (which notice shall be effective only with the written consent of Freddie Mac if no Event of Default has occurred and is then continuing under clause (b) above) to the Authority from the Trustee or the Holders of more than 51% of the aggregate principal amount of the Series 2009E Bonds then Outstanding at such time specifying such default and requiring the same to be remedied; *provided* that if such default cannot be cured within such thirty (30) day period through the exercise of diligence and the Authority commences the required cure within such thirty (30) day period and continues the cure with diligence and the Authority reasonably anticipates that the default could be cured within sixty (60) days, the Authority shall have sixty (60) days following receipt of such notice to effect the cure.

### **Remedies upon Default**

Upon the occurrence of an Event of Default and subject to various conditions specified in the Series 2009E Supplemental Indenture, the Trustee may (i) declare the principal of all Series 2009E Bonds then Outstanding and the interest accrued thereon immediately due and payable, (ii) seek to enforce the payment of the principal of, premium, if any, or interest on the Series 2009E Bonds then Outstanding and to require the Authority or Freddie Mac to carry out any covenants or agreements with or for the benefit of the Bondholders and to perform its duties under the Act, the Series 2009E Supplemental Indenture the Financing Agreement, the Tax Regulatory Agreement or the Freddie Mac Credit Enhancement (as applicable) by mandamus or other suit, action or proceeding at law or in equity, (iii) pursue any available remedies under the Financing Agreement, the Tax Regulatory Agreement, the Freddie Mac Credit Enhancement, or any other Bond Financing Document, (iv) realize or cause to be realized through sale or otherwise upon the security pledged under the Series 2009E Supplemental Indenture, (v) by action or suit in equity, seek to enjoin any acts or things that may be unlawful or in violation of the rights of the Holders of the Series 2009E Bonds, and (vi) 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 Authority allowed in any bankruptcy or other proceeding.

No remedy conferred upon or reserved to the Trustee or to the Bondholders by the terms of the Series 2009E Supplemental Indenture is intended to be exclusive of any other remedy, but each and every such remedy is cumulative and is in addition to any other remedy given to the Trustee, Freddie Mac or the Bondholders under the Series 2009E Supplemental Indenture or under the Financing Agreement, the Tax Regulatory Agreement, the Freddie Mac Credit Enhancement, the Reimbursement Agreement, or any other Bond Financing document, as applicable, or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Event of Default will impair any such right or power or will be construed to be a waiver of any such Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. No waiver of any Event of Default, whether by the Trustee, Freddie Mac or the Bondholders, will extend to or will affect any subsequent default or event of default or shall impair any rights or remedies consequent thereto.

In all events, the rights of the Trustee to exercise remedies under the Series 2009E Supplemental Indenture upon the occurrence of an Event of Default is subject to the provisions of the Intercreditor Agreement.

If an Event of Default under clause (a) or clause (c) above has occurred and so long as no Event of Default has occurred and is then continuing under clause (b) above, upon receipt of the written direction of Freddie Mac (which direction may be given in the sole discretion of Freddie Mac), the Trustee is obligated to exercise any right or power conferred by the Series 2009E Supplemental Indenture in the manner set forth in such written direction of Freddie Mac. If such written direction expressly states that the Trustee may exercise one or more of the rights and powers conferred in the Series 2009E Supplemental Indenture as the Trustee deems to be in the interest of the Bondholders and Freddie Mac, the Trustee, being advised by counsel or a committee of Responsible Officers, shall exercise one or more of such rights and powers as the Trustee, being advised by counsel or a committee of Responsible Officers, deems to be in the best interests of the Bondholders and Freddie Mac; *provided*, that in any event, so long as no Event of Default has occurred and is then continuing under clause (b) above, the Trustee may not undertake any action to realize, through sale or otherwise, upon the Bond Mortgage Loan without the express written direction of Freddie Mac. So long as no Event of Default has occurred and is then continuing under clause (b) above, in the case of an Event of Default under clause (a) or clause (c) above, Freddie Mac shall have the right, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Series 2009E Supplemental Indenture, or for the appointment of a receiver or any other proceedings, in accordance with the provisions of law and of the Series 2009E Supplemental Indenture.

### **The Trustee**

The Bank of New York Mellon Trust Company, N.A., will act as Trustee pursuant to the Trust Indenture and the Series 2009E Supplemental Indenture. The obligations of the Trustee are described in the Series 2009E Supplemental Indenture. The Trustee has undertaken only those duties and obligations that are expressly set forth in the Series 2009E Supplemental Indenture. The Trustee has not independently passed upon the validity of the Series 2009E Bonds, the security for the payment of the Series 2009E Bonds, the value or condition of any assets pledged to the payment of the Series 2009E Bonds, the adequacy of the provisions for such payment, the status for federal or state income tax purposes of the interest on the Series 2009E Bonds, or the investment quality of the Series 2009E Bonds. Except for the contents in this paragraph, the Trustee has not reviewed or participated in the preparation of this Supplement No. 4 to Official Statement and has assumed no responsibility for the nature, content, accuracy or completeness of the information included in this Supplement No. 4 to Official Statement.

The Trustee may be removed at any time, either with or without cause, with the consent of Freddie Mac (which consent of Freddie Mac shall not be unreasonably withheld). In such event, the Authority, with the written consent of Freddie Mac, shall promptly appoint a successor Trustee.

### **Supplemental Indentures to Series 2009E Supplemental Indenture Not Requiring Bondholder Consent**

The Authority and the Trustee may from time to time and at any time, without the consent of, or notice to, any of the Bondholders, but with the prior written consent of Freddie Mac, enter into an indenture or indentures supplemental to the Series 2009E Supplemental Indenture for any one or more of the following purposes:

- (a) to cure any formal defect, omission, inconsistency or ambiguity in the Series 2009E Supplemental Indenture in a manner not materially adverse to the Holder of any Series 2009E Bond to be Outstanding after the effective date of the change;

(b) to grant to or confer upon the Trustee for the benefit of the Holders of the Series 2009E Bonds any additional rights, remedies, powers or authority that may lawfully be granted or conferred and that are not contrary to or inconsistent with the Series 2009E Supplemental Indenture or the rights of the Trustee under the Series 2009E Supplemental Indenture as theretofore in effect;

(c) to subject to the lien and pledge of the Series 2009E Supplemental Indenture additional revenues, properties or collateral;

(d) to modify, amend or supplement the Series 2009E Supplemental Indenture or any indenture supplemental to it in such manner as to permit the qualification thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect or to permit the qualification of the Series 2009E Bonds for sale under any state blue sky laws;

(e) to make such additions, deletions or modifications as may be, in the opinion of Bond Counsel delivered to the Authority, the Trustee and Freddie Mac, necessary to maintain the exclusion from gross income for federal income tax purposes of interest on the Series 2009E Bonds;

(f) to modify, amend or supplement the Series 2009E Supplemental Indenture as required by a Rating Agency to obtain or maintain a rating or ratings for the Series 2009E Bonds, except no change may be made that will materially adversely affect the interests of the Holders of the Series 2009E Bonds to be Outstanding after the effective date of the change;

(g) to implement or modify any secondary market disclosure requirements; and

(h) to modify, amend or supplement the Series 2009E Supplemental Indenture in any other respect which is not materially adverse to the Holders of the Series 2009E Bonds to be Outstanding after the effective date of the change and which does not involve a change that requires the consent of Bondholders as described in the following section.

### **Supplemental Indentures to Series 2009E Supplemental Indenture Requiring Bondholder Consent**

With the prior written consent of Freddie Mac, the Holders of more than 51% of the aggregate principal amount of the Series 2009E Bonds then Outstanding have the right, from time to time, to consent to and approve the execution by the Authority and the Trustee of such indenture or indentures supplemental to the Series 2009E Supplemental Indenture as shall be deemed necessary and desirable by the Authority for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Series 2009E Supplemental Indenture; *provided*, that the following are not permitted: (a) an extension of the time for payment of, or an extension of the stated maturity or reduction in the principal amount or reduction in the rate of interest on or extension of the time of payment, of interest on, or reduction of any premium payable on the redemption of, any Series 2009E Bonds, or a reduction in the Series 2009E Developer's obligation on the Bond Mortgage Note, without the consent of the Holders of all of the Series 2009E Bonds then Outstanding, (b) the creation of any lien prior to or on a parity with the lien of the Series 2009E Supplemental Indenture, (c) a reduction in the aforesaid percentage of the principal amount of Series 2009E Bonds which is required in connection with the giving of consent to any such supplemental indenture, without the consent of the Holders of all of the Series 2009E Bonds then Outstanding, (d) the modification of the rights, duties or immunities of the Trustee, without the written consent of the Trustee, (e) a privilege or priority of any

Series 2009E Bond over any other Series 2009E Bonds, or (f) any action that results in the interest on the Series 2009E Bonds becoming included in gross income for federal income tax purposes.

If at any time the Authority requests the Trustee to enter into any such supplemental indenture for any of the purposes of described immediately above, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be mailed, postage prepaid, to all registered Bondholders and to Freddie Mac. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the corporate trust office of the Trustee for inspection by all Bondholders.

Thirty (30) days after the date of the mailing of such notice, the Authority and the Trustee may enter into such supplemental indenture substantially in the form described in such notice, but only if there shall have first been or is simultaneously delivered to the Trustee the required consents, in writing, of Freddie Mac and the Holders of not less than the percentage of Series 2009E Bonds required by this Section. If the Holders of not less than the percentage of Series 2009E Bonds required by this Section shall have consented to and approved the execution and delivery of a supplemental indenture as provided herein, no Holder of any Series 2009E Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture as in this Section permitted and provided, the Series 2009E Supplemental Indenture shall be and be deemed to be modified and amended in accordance therewith. The Trustee may rely upon an opinion of counsel as conclusive evidence that execution and delivery of a supplemental indenture has been effected in compliance with the provisions of the Series 2009E Supplemental Indenture.

Unless the Series 2009E Developer shall then be in default of any of its obligations under the Financing Agreement, the Reimbursement Agreement, the Tax Regulatory Agreement, the Bond Mortgage Note, the Bond Mortgage or the Reimbursement Mortgage, a supplemental indenture for any of the purposes of described immediately above which affects any rights of the Series 2009E Developer shall not become effective unless and until the Series 2009E Developer has expressly consented in writing to the execution and delivery of such supplemental indenture. In this regard, the Trustee shall cause notice of the proposed execution and delivery of any such supplemental indenture to be mailed by certified or registered mail to the Series 2009E Developer or the Series 2009E Developer's attorney at least fifteen (15) days prior to the proposed date of execution and delivery of any supplemental indenture.

#### **Amendments to Financing Agreement Not Requiring Consent of Bondholders**

The Trustee shall, without the consent of, or notice to, the Bondholders, but with the consent of the Series 2009E Developer and Freddie Mac, consent to any amendment, change or modification of the Financing Agreement as follows:

- (a) as may be required by the provisions of the Freddie Mac Credit Enhancement, the Financing Agreement or the Series 2009E Supplemental Indenture;
- (b) to cure any formal defect, omission, inconsistency or ambiguity in the Financing Agreement in a manner not materially adverse to the Holder of any Series 2009E Bond to be Outstanding after the effective date of the change;

(c) to make such additions, deletions or modifications as may be necessary, in the opinion of Bond Counsel delivered to the Authority, the Trustee and Freddie Mac, to maintain the exclusion from gross income for federal income tax purposes of interest on the Series 2009E Bonds;

(d) to modify, amend or supplement the Financing Agreement as required by a Rating Agency to obtain or maintain a rating or ratings for the Series 2009E Bonds, except no change may be made that will materially adversely affect the interests of the Holders of the Series 2009E Bonds to be Outstanding after the effective date of the change;

(e) to modify, amend or supplement the Financing Agreement in any other respect which is not materially adverse to the Trustee or Holders of the Series 2009E Bonds to be Outstanding after the effective date of the change and which does not involve a change requiring the consent of Bondholders described in the next section.

### **Amendments to Financing Agreement Requiring Consent of Bondholders**

Except for the amendments, changes or modifications of the Financing Agreement as provided in the preceding section, neither the Authority nor the Trustee shall consent to any other amendment, change or modification of the Financing Agreement without the consent of Freddie Mac and the Series 2009E Developer and without giving notice to Bondholders and the written approval or consent of the Holders of at least 51% of the aggregate principal amount of the Series 2009E Bonds then Outstanding given and procured in accordance with the procedure set forth in the Series 2009E Supplemental Indenture; *provided*, that any amendment, change or modification of the Series 2009E Developer's obligation to make the payments required under the Financing Agreement is not permitted without the consent of the Holders of all of the Series 2009E Bonds then Outstanding. If at any time the Authority and the Series 2009E Developer request the consent of the Trustee to any such proposed amendment, change or modification of the Financing Agreement, the Trustee shall cause notice of such proposed amendment, change or modification to be given in the same manner as provided under the caption "Supplemental Indentures to Series 2009E Supplemental Indenture Requiring Bondholder Consent" above. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the principal office of the Trustee for inspection by Bondholders.

### **Amendments to the Freddie Mac Credit Enhancement**

The Trustee may, without the consent of, or notice to, any of the Bondholders enter into any amendment, change or modification of the Freddie Mac Credit Enhancement (a) as may be required by the provisions of the Freddie Mac Credit Enhancement, (b) to cure any formal defect, omission, inconsistency or ambiguity in the Freddie Mac Credit Enhancement, (c) in a manner which is not prejudicial to the interests of the Bondholders as determined by the Trustee being advised by counsel, a committee of Responsible Officers or by a written confirmation from the Rating Agencies of the then existing rating or ratings on the Series 2009E Bonds, or (d) as required by a Rating Agency to maintain the then current rating on the Series 2009E Bonds.

### **Opinion of Bond Counsel Required**

No supplement or amendment to the Financing Agreement or the Series 2009E Supplemental Indenture shall be effective until the Authority, the Trustee and Freddie Mac shall have received an

opinion of Bond Counsel to the effect that such supplement or amendment is authorized or permitted by the Series 2009E Supplemental Indenture and, upon execution and delivery thereof, will be valid and binding upon the Authority in accordance with its terms and will not cause interest on the Series 2009E Bonds to be includable in gross income of the Holders thereof for federal income tax purposes. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, the opinion of any counsel approved by it as conclusive evidence that (i) any proposed supplemental indenture or amendment permitted by the Series 2009E Supplemental Indenture complies with the provisions of the Series 2009E Supplemental Indenture, (ii) it is proper for the Trustee to join in the execution of that supplemental indenture or amendment under the provisions of the Series 2009E Supplemental Indenture, and (iii) if applicable, such proposed supplemental indenture or amendment is not materially adverse to the interests of the Bondholders.

### **Condition to Satisfaction and Discharge of Trust Indenture**

Pursuant to the Series 2009E Supplemental Indenture, it is a condition precedent to the discharge of lien pursuant to the Trust Indenture that the Trustee receive a written statement from Freddie Mac stating that all obligations owed to Freddie Mac under the Reimbursement Agreement have been paid in full, and the Trustee shall return the Freddie Mac Credit Enhancement to Freddie Mac.

## **TAX MATTERS**

### **Opinion of Bond Counsel**

In the opinion of Bond Counsel, under existing laws, regulations, rulings and court decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants described herein, interest on the Series 2009E Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code, except that no opinion is expressed as to such exclusion of interest on any Series 2009E Bond for any period during which the Series 2009E Bond is held by a person who is a “substantial user” of the facilities financed with the proceeds of the Series 2009E Bonds or a “related person” within the meaning of Section 147(a) of the Code. Bond Counsel is further of the opinion that interest on the Series 2009E Bonds is not a specific preference item or included in adjusted current earnings for purposes of the federal alternative minimum tax.

In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Authority and the Developers in connection with the Series 2009E Bonds, and Bond Counsel has assumed compliance by the Authority and the Developers with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

Under the Act, in its present form, the Bonds and all income from the Series 2009E Bonds is free from all taxation of the State of Illinois or its political subdivisions, except for estate, transfer and inheritance taxes. Future legislation enacted in the State of Illinois could alter the tax status of bonds issued by the Authority prior to enactment. There is no way to predict the scope of future legislative proposals, and whether such proposals, if enacted, will alter the tax status of the Series 2009E Bonds. In addition, the Series 2009E Bonds and the income therefrom may be subject to taxation under the laws of the states other than the State of Illinois.

Bond Counsel expresses no opinion regarding any other Federal or state tax consequences with respect to the Series 2009E Bonds, and renders its opinion under existing statutes and court decisions as

of the issue date, and assumes no obligation to update its opinion after the issue date to reflect any future action, fact or circumstance, or change in law or interpretation, or otherwise. Bond Counsel expresses no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for Federal income tax purposes of interest on the Series 2009E Bonds, or under state and local tax law.

### **Certain Parity Indenture Aspects**

Each series of Bonds issued under the Indenture with the intention that the interest paid thereon will be excludable from gross income for Federal income tax purposes (“**Tax-Exempt Bonds**”), including the Series 2009E Bonds, must satisfy the applicable requirements of the Code. In general, Tax-Exempt Bonds originally issued for new money purposes after the general effective date of the Code (August 16, 1986), are fully subject to the applicable requirements of the Code, including the more restrictive low income set-aside requirements under the Code. The Series 2009E Bonds are fully subject to the low income set-aside requirements of the Code. This section includes brief summaries of certain low income set-aside requirements applicable to the Series 2009E Bonds under the Code.

### **Certain Ongoing Federal Tax Requirements and Covenants**

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Series 2009E Bonds in order that interest on the Series 2009E Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Series 2009E Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the Federal Government. Noncompliance with such requirements may cause interest on the Series 2009E Bonds to become included in gross income for Federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The Authority has covenanted in the Indenture that it will do and perform all acts necessary or desirable to assure the exclusion of interest on the Series 2009E Bonds from gross income under Section 103 of the Code. The Authority will deliver its Tax Certificate concurrently with the issuance of the Series 2009E Bonds which will contain provisions relating to compliance with the requirements of the Code. The Authority also has required or will require Developers to make certain covenants in the Mortgage Loan program documents relating to compliance with the requirements of the Code. No assurance can be given, however, that in the event of a breach of any such covenant, the remedies available to the Authority or the owners of the Series 2009E Bonds can be enforced judicially in a manner to assure compliance with the Code and therefore to prevent the loss of the exclusion from gross income of the interest on the Series 2009E Bonds for Federal income tax purposes. Such Federal tax compliance covenants will be subordinate to the rights of FHA under the Series 2009E Loan documents and the enforcement of such covenants will be subject to FHA approval. Because of these FHA restrictions, enforcement remedies available to the Authority or any other mortgagee may be inadequate to prevent the loss of tax exemption of interest on such Series 2009E Bonds for Federal income tax purposes.

### **Low Income Set-Aside Requirements under the Code**

The Series 2009E Bonds are subject to the low income set-aside and other requirements for qualified residential rental projects under the Code which are described briefly in this subsection. The Code requires that at least 95 percent of the net proceeds of exempt facility bonds under Section 142(a)(7) (after reduction for amounts applied to fund a reasonably required reserve fund) be used to provide



“qualified residential rental projects.” The Code defines a residential rental project as a project containing units with separate and complete facilities for living, sleeping, eating, cooking, and sanitation that are available to the general public and are to be used on other than a transient basis. Section 142(d) of the Code requires that either (i) at least 20% of the completed units in a project to be financed with the proceeds of the Series 2009E Bonds be continuously occupied during the “qualified project period” by individuals and families whose annual adjusted income does not exceed 50% of the area median income (with adjustments for family size), or (ii) at least 40% of the completed units in a project to be financed with the proceeds of the Series 2009E Bonds be continuously occupied during the qualified project period by individuals and families whose annual adjusted income does not exceed 60% of the area median income (with adjustments for family size). The Authority will make elections on the applicable low income set-aside requirements with respect to the Developments expected to be financed with the proceeds of the Series 2009E Bonds prior to the issuance date of the Series 2009E Bonds. In addition, all of the units in any Development must be rented or available for rental on a continuous basis throughout the applicable qualified project period. The Code defines the “qualified project period” as the period beginning on the first day upon which 10% of the units in a project are occupied and ending on the latest of (i) the date that is 15 years after the date upon which 50% of the residential units in such project are occupied, (ii) the first day on which no tax-exempt private activity bond issued with respect to such project is outstanding, or (iii) the date upon which any assistance provided with respect to such project under Section 8 of the United States Housing Act of 1937, as amended, terminates. A Development generally will meet the continuing low income set aside requirement so long as a tenant’s income does not increase to more than 140% of the applicable income limitation. Generally, upon an increase of a tenant’s income over 140% of the applicable income limitation, the next available unit of comparable or smaller size in the applicable Development must be rented to a tenant whose income does not exceed the applicable income limitation. The Code requires annual certifications to be made to the Secretary of the Treasury regarding compliance with the applicable income limitations.

### **Certain Collateral Federal Tax Consequences**

The following is a brief discussion of certain collateral Federal income tax matters with respect to the Series 2009E Bonds. It does not purport to address all aspects of Federal taxation that may be relevant to a particular owner of a Series 2009E Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the Federal tax consequences of owning and disposing of the Series 2009E Bonds.

Prospective owners of the Series 2009E Bonds should be aware that the ownership of such obligations may result in collateral Federal income tax consequences to various categories of persons, such as corporations (including S Corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security or railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for Federal income tax purposes. The extent of these collateral tax consequences will depend upon such owner’s particular tax status and other items of income or deduction, and Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the Series 2009E Bonds should consult their tax advisors as to the tax consequences of purchasing or owning the Series 2009E Bonds. Interest on the Series 2009E Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

## Original Issue Discount

“Original issue discount” (“**OID**”) is the excess of the sum of all amounts payable at the stated maturity of a Series 2009E Bond (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the “issue price” of a maturity means the first price at which a substantial amount of the Series 2009E Bonds of that maturity was sold (excluding sales to bond houses, brokers, or similar persons acting in the capacity as underwriters, placement agents, or wholesalers). In general, the issue price for each maturity of Series 2009E Bonds is expected to be the initial public offering price set forth on the cover page (or inside cover page) of this Official Statement with respect to such Series 2009E Bonds. In general, under Section 1288 of the Code, OID on a Series 2009E Bond having OID (a “**Discount Bond**”) accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Bond. An owner’s adjusted basis in a Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Series 2009E Bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Bond even though there will not be a corresponding cash payment.

Due to the fact that the interest rate on the Series 2009E Bonds increases two months following the Release Date, the Series 2009E Bonds may be considered issued with original issue discount for federal income tax purposes.

Generally, such original issue discount is amortized over the term of any such Discount Bonds, and such amortized amount is treated as tax-exempt interest. Owners of Discount Bonds should consult their own tax advisors with respect to the treatment of original issue discount for Federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Bonds.

## Bond Premium

In general, if an owner acquires a Series 2009E Bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Series 2009E Bond after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “bond premium” on that Series 2009E Bond (a “**Premium Bond**”). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner’s yield over the remaining term of the Premium Bond, determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner’s original acquisition cost.

Owners of any Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for Federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

### **Information Reporting and Backup Withholding**

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Series 2009E Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification", or unless the recipient is one of a limited class of exempt recipients, including corporations. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding", which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Series 2009E Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Series 2009E Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's Federal income tax once the required information is furnished to the Internal Revenue Service.

### **Miscellaneous**

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to above or adversely affect the market value of the Series 2009E Bonds. An example is the American Jobs Act of 2011 (S. 1549), proposed by the President and introduced in the Senate on September 13, 2011. If enacted as introduced, a provision of S. 1549 would limit the amount of exclusions (including tax-exempt interest) and deductions available to certain high income taxpayers for taxable years after 2012, and as a result could affect the market price or marketability of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to Series 2009E Bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2009E Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2009E Bonds or the market value thereof would be impacted thereby. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2009E Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

Purchasers of the Series 2009E Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation.

## LEGAL MATTERS

The authorization and delivery of the Series 2009E Bonds are subject to receipt of the opinion of Kutak Rock LLP, Chicago, Illinois, Bond Counsel, which will be in substantially the form set forth in Appendix A. Certain legal matters will be passed upon for the Authority by its General Counsel, Maureen Ohle, Esq., and by its counsel, Schiff Hardin LLP, Chicago, Illinois. Certain legal matters will be passed upon for the Series 2009E Developer by its counsel, Applegate & Thorne-Thomsen, P.C., for the Trustee by its internal counsel, and for Freddie Mac by its Legal Division and its special counsel, Ballard Spahr, LLP.

## LITIGATION

The Authority is not engaged in and has not been threatened with any litigation of any nature which seeks to restrain or enjoin the issuance, sale, execution or delivery of the Series 2009E Bonds or which in any way contests the validity of the Series 2009A Bonds or the Converted Bonds or any proceedings of the Authority taken with respect to their issuance or sale or the pledge or application of any moneys or the security provided for the payment of the Series 2009A Bonds or the Converted Bonds, or which contests the existence of the Authority.

The Authority is a party to litigation incident to the conduct of its programs. The Authority is not engaged in and has not been threatened with any litigation with respect to its statutory powers or otherwise which in the judgment of the Authority is material to the performance of its programs or its obligations with respect to notes and bonds, including the Series 2009E Bonds, of the Authority.

## RATINGS

The Series 2009E Bonds have received a rating of “Aaa under review for possible downgrade” from Moody’s Investors Service, Inc. (“**Moody’s**”). Any rating assigned to the Series 2009E Bonds reflects only the views of the applicable rating agency and an explanation of the significance of such rating may be obtained only from the applicable rating agency. There is no assurance that the rating that has been assigned to the Series 2009E Bonds will continue for any given period of time or that it will not be revised or withdrawn entirely by such rating agency if, in the judgment of the rating agency, circumstances so warrant. A downward revision or withdrawal of the rating may have an adverse effect on the market price of the Series 2009E Bonds.

## CONTINUING DISCLOSURE

In connection with Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, the Authority has agreed to provide to certain parties certain annual financial information and operating data and notices of certain material events. In addition, the Authority has agreed to file annually, within 180 days after the close of each Fiscal Year, beginning with the fiscal year ending June 30, 2011, financial statements for such Fiscal Year. The financial statements must be accompanied by the related report of its independent public accountants. The Authority’s agreement to provide this information is referred to as the (the “**Continuing Disclosure Undertaking**”). Such information will be provided to (i) the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access System and (ii) any entity designated by the State of Illinois as a state information depository for purposes of Rule 15c2-12. A summary of the Continuing Disclosure Undertaking is included as Appendix C to this Official Statement. The Continuing Disclosure Undertaking may be enforced by any

beneficial or registered owner of the Series 2009E Bonds, but the Authority's failure to comply with this undertaking will not be a default under the Indenture.

In addition, in the Series 2009E Supplemental Indenture, the Authority has covenanted to provide certain information to the GSEs for each period after and including the calendar quarter ending September 30, 2011. Such information includes principally (i) audited financial statements of the Authority for each Fiscal Year, including in supplemental schedules financial statements specific to the Indenture, (ii) financial statements of the Authority for interim portions of a Fiscal Year if produced, (iii) financial statements specific to the Indenture for each of the first three calendar quarters of each Fiscal Year, (iv) a compliance certificate in a specified form, (v) specified quarterly reports, (vi) copies of cash flow certificates, (vii) certificates required under the Series 2009E Supplemental Indenture for the withdrawal of cash from the Indenture, (viii) copies of rating agency presentations and ratings pertaining to the Indenture or to the Authority as a whole, (ix) copies of disclosure documents with respect to obligations outstanding under the Indenture, and (x) copies of publicly available information disclosures concerning the financial condition or performance of the Authority.

The Authority also agreed in the Series 2009E Supplemental Indenture to provide the GSEs with notice of certain events, including (i) events which would require the filing of an "events notice" under Rule 15c2-12 as that Rule is amended, restated or replaced from time to time, (ii) any "event of default" or event which, with the passage of time or the giving of notice, or both, would become such an "event of default" under the Indenture or certain related documents, (iii) resignation or removal of the Trustee, or any failure by the Trustee to perform its duties under the Indenture or any related document, (iv) demands for payments or for the posting of collateral under a hedging arrangement, (v) any litigation, administrative or other proceeding or other development that would have a material and adverse effect on the ability of the Authority to perform its duties and obligations under the Indenture or any related document, (vi) a ratings downgrade, or notice of a negative outlook applicable to existing ratings, relating to the Authority as a whole or to the Bonds, (vii) certain adverse changes with respect to any provider of a guaranteed investment contract or hedge relating to the Indenture or to the Authority as a whole, (viii) supplements or amendments to the Indenture, (ix) unscheduled draws on a debt service reserve of credit enhancement for any of the Bonds, (x) defeasance of any Bonds, and (xi) release, sale or substitution of any property securing any of the Bonds.

#### **MISCELLANEOUS**

All quotations from, and summaries and explanations of, the Constitution of the State, the Act and the Indenture contained in this Official Statement do not purport to be complete and reference is made to the Constitution of the State, the Act and the Indenture for full and complete statements of their provisions. Copies, in reasonable quantity, of the Indenture may be obtained upon request directed to the Authority at 401 North Michigan Avenue, Suite 700, Chicago, Illinois 60611.

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 facts. This Official Statement is not to be construed as a contract or agreement between the Authority and the purchasers or owners of any of the Series 2009E Bonds. The execution and distribution of this Official Statement have been duly authorized by the Authority.

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY**

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Executive Director

**Appendix A**

**PROPOSED FORM OF OPINION OF BOND COUNSEL**

[Date of Delivery]

Illinois Housing Development Authority  
Chicago, Illinois

\$7,700,000  
Illinois Housing Development Authority  
Multifamily Initiative Bonds,  
Series 2009E

We have previously acted as Bond Counsel in connection with the issuance by the Illinois Housing Development Authority (the "Authority") of \$184,080,000 aggregate principal amount of its Multifamily Initiative Bonds, Series 2009A (the "Series 2009A Bonds"). The Series 2009A Bonds were authorized to be issued pursuant to the Illinois Housing Development Authority Act, 20 ILCS 3805/1 *et seq.*, as amended (the "Act"), and under and pursuant to the Trust Indenture, dated as of December 1, 2009 (the "Trust Indenture"), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), resolutions of the Authority authorizing the issuance and sale of bonds to finance multifamily mortgage loans, and the Supplemental Indenture dated as of December 1, 2009 (the "Series 2009A Supplemental Indenture"), between the Authority and the Trustee.

It is now deemed necessary and advisable to supplement the Trust Indenture by the Series 2009E Supplemental Indenture, dated as of November 1, 2011 (the "Series 2009E Supplemental Indenture"), by and between the Authority and the Trustee, to provide for and establish a Release Date (as defined below) with respect to a portion of the proceeds of the Series 2009A Bonds currently held in escrow and to provide for the application of such released proceeds to the funding of mortgage loans, all as hereinafter provided. In accordance with and subject to the terms, conditions and limitations established in the Trust Indenture and the Series 2009E Supplemental Indenture, a portion of the proceeds of the Series 2009A Bonds in the principal amount of \$7,700,000 shall be released from escrow on the date hereof (the "Release Date"), and the portion of the Series 2009A Bonds relating thereto shall be redesignated "Series 2009E" (the "Series 2009E Bonds" or the "Bonds") and deemed reissued for federal income tax purposes as of the date hereof.

The Trust Indenture, the Series 2009A Supplemental Indenture and the Series 2009E Supplemental Indenture are collectively referred to herein as the "Indenture."

The Bonds are equally and ratably secured by the Trust Indenture with all other bonds issued thereunder unless otherwise specified in a supplemental indenture or by the Authority pursuant to the provisions thereof.

The Bonds are dated, mature in the years, in the respective principal amounts and bear interest at the rates per annum (subject to conversion) set forth in the Series 2009E Supplemental Indenture. The Bonds are also subject to redemption prior to maturity upon the terms and conditions and at the redemption prices provided in the Indenture.

The Internal Revenue Code of 1986 (the “Code”) establishes certain continuing requirements which must be met in order that interest on the Bonds not be included in gross income of the owners thereof for federal income tax purposes. These include requirements as to the use and investment of proceeds of the Bonds, the payment of certain amounts to the United States and the use and occupancy of the projects financed by the Bonds. In the Indenture, various tax certificates and a Tax Regulatory Agreement, dated as of November 1, 2011 (the “Tax Regulatory Agreement”), among the Authority, the Trustee and the borrower (the “Borrower”), the Authority and the Borrower have made various covenants with respect to these requirements. Failure to comply with certain of such covenants could cause interest on the Bonds to be included in gross income of the owners thereof for federal income tax purposes, retroactively to the date of issuance of the Bonds.

In rendering this opinion we have reviewed the Indenture and certain other documents, certificates and other materials delivered in connection with the issuance of the Bonds.

Based on the foregoing it is our opinion that:

(a) The Authority is a legally existing body politic and corporate of the State and has the right and power under the Act to adopt the Indenture and to authorize, issue and deliver the Bonds.

(b) The Authority has duly adopted the Resolution. The Indenture has been duly and lawfully authorized and executed by the Authority, is in full force and effect and is valid and binding upon the Authority and enforceable in accordance with its terms and no other authorization for the Indenture is required. The Indenture creates the valid pledge which it purports to create of the Trust Estate (except the Rebate Fund), subject only to the provisions of the Indenture permitting the application of amounts held thereunder for the purposes (including particular series or subseries of Bonds) and on the terms and conditions set forth in the Indenture.

(c) The Bonds have been duly authorized, executed, issued and delivered by the Authority in accordance with the Act and the Indenture and constitute valid and binding limited obligations of the Authority, enforceable in accordance with their terms and the terms of the Indenture and entitled to the benefits of the Act and the Indenture. The Bonds are special limited obligations, and not general obligations, of the Authority payable solely from the revenues, assets or moneys pledged therefor under the Indenture, enforceable in accordance with their terms and the terms of the Indenture, and entitled to the benefit of the Indenture and the Act. The Authority has no taxing power. The Bonds are not a debt of the State of Illinois and the State of Illinois is not liable on the Series Bonds. The Bonds are not subject to Section 26.1 of the Act.

(d) Under existing laws, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Bonds is excluded from gross income of their owners for federal income tax purposes. We are further of the opinion that interest on the Bonds is not a specific preference item or included in adjusted current earnings for purposes of the federal alternative minimum tax. If there is continuing compliance by the Authority and the Borrower with their respective covenants described above as contained in the Indenture and the Tax Regulatory Agreement, we are of the opinion that interest on the Bonds will continue to be excluded from the gross income of the owners thereof for federal income tax purposes. No opinion is expressed, however, as to the exclusion from gross income of the owners of the Bonds for federal income tax purposes of interest on any Bond for any period during which such Bond is held by a person who is a “substantial user” of the Development or by any person considered to be related to such person within the meaning of the Code. Ownership of the Bonds may result in other federal tax



consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

(e) Under the Act, in its present form, the Bonds and all income from the Bonds is free from all taxation by the State of Illinois or its political subdivisions, except for estate, transfer and inheritance taxes.

The opinions we have expressed herein as to the treatment of the Bonds or the interest borne thereon for federal income tax purposes and for state tax purposes are based upon statutes, regulations, and court decisions in effect on the date hereof. We undertake no obligation to update the contents of this opinion on any future date. Each purchaser of the Bonds should consult his or her tax advisor regarding any changes in the status of any pending or proposed legislation.

The rights of the owners of the Bonds, and the enforceability of the Bonds and the Indenture, may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights. Enforcement of provisions of the Bonds and the Indenture by an equitable or similar remedy is subject to general principles of law or equity governing such a remedy, including the exercise of judicial discretion whether to grant any particular form of relief.

This opinion is based upon facts known or certified to us and laws in effect on its date and speaks as of that date. We have not undertaken any obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention after the date of this opinion, or any changes in law that may occur after that date.

Very truly yours,

**Appendix B**

**DESCRIPTION OF MORTGAGE LOAN AND DEVELOPMENT EXPECTED TO BE FINANCED BY THE SERIES 2009E BONDS**

<u>Name</u>	<u>Location</u>	<u>Owner</u>	<u>No. of Units</u>	<u>Credit Enhancement</u>	<u>Term of Mortgage Loan (Years)</u>	<u>Interest Rate(s)</u>	<u>Expected Date of Constructio n Completion</u>	<u>Mortgage Loan Amount</u>
Renaissance Apartments	6105-15 S Ellis Avenue, 6201-07 S Ingleside Avenue, 6153 S Greenwood Avenue, 6200-08 S University, 6114-24 S Kimbark Avenue, 6153-59 S. Kenwood Avenue, Chicago, IL	Renaissance Preservation Associates Limited Partnership	117	Freddie Mac Credit Enhancement Agreement	31	4.2360%	11/30/2012	\$7,700,000

## Appendix C

### SUMMARY OF THE AUTHORITY'S CONTINUING DISCLOSURE UNDERTAKING

Undertaking. The Authority shall make all required filings and reports so that all requirements of Rule 15c2-12(b)(5) (the “**Rule**”) of the United States Securities and Exchange Commission (the “**SEC**”), as amended from time to time, are met with respect to the Series 2009E Bonds.

Annual Financial Information. Each year the Authority shall provide annual financial information concerning the Series 2009E Bonds to the Municipal Securities Rulemaking Board (the “**MSRB**”) via its Electronic Municipal Market Access (“**EMMA**”) System. A copy of the annual financial information shall also be provided to the Trustee. The annual financial information shall be so provided within 180 days after the end of the Authority’s fiscal year, beginning with the fiscal year ending June 30, 2011. Copies of the annual financial information shall also be made available to any beneficial owner of Series 2009E Bonds upon written request. The annual financial information shall include the Authority’s audited financial statements prepared in accordance with accounting principles generally accepted in the United States of America as in effect from time to time.

The annual financial information may include any or all information by incorporating, by specific reference, other documents which have been provided to the MSRB. If the incorporated information is in an Official Statement, it must be available from the MSRB. The annual financial information shall include a notice of any change in the Authority’s fiscal year.

Reporting Significant Events. Upon the occurrence of any of the following events with respect to the Series 2009E Bonds, the Authority shall report the event to the MSRB:

- (i) principal and interest payment delinquencies;
- (ii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iii) unscheduled draws on credit enhancements reflecting financial difficulties;
- (iv) substitution of credit or liquidity providers or their failure to perform;
- (v) adverse tax opinions or events affecting the tax-exempt status of the Series 2009E Bonds;
- (vi) defeasances;
- (vii) rating changes;
- (viii) 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 Series 2009E Bonds, or other material events affecting the tax status of the Series 2009E Bonds;
- (ix) tender offers; and
- (x) bankruptcy, insolvency, receivership or similar event of the obligated person.

Upon the occurrence of any of the following events with respect to the Series 2009E Bonds, if material, the Authority shall report the event to the MSRB:

- (i) non-payment related defaults;
- (ii) modifications to rights of Owners of the Series 2009E Bonds;
- (iii) bond calls;
- (iv) release, substitution, or sale of property securing repayment of the Series 2009E Bonds;
- (v) the consummation of a merger, consolidation, or acquisition, or certain asset sales, involving the obligated person, or entry into or termination of a definitive agreement relating to the foregoing; and
- (vi) Appointment of a successor or additional trustee or a change in name of the trustee.

If notices are required to be filed, filing shall be made within ten (10) business days after the occurrence of the event giving rise to the requirement to file.

**The Authority will give a copy of each such report to the Trustee. The Authority will give notice in a timely manner to the Trustee and to the MSRB of any failure timely to provide the annual financial information as provided in this Summary.**

Enforcement. The undertaking of the Authority described in this summary shall be solely for the benefit of the beneficial owners of the Series 2009E Bonds from time to time, and shall create no right in anyone else. It may be enforced by any beneficial owner of Series 2009E Bonds. The sole remedy with respect to the Authority's compliance with its undertaking described in this summary shall be to require compliance. The Trustee shall have no powers or duties with respect to the undertaking described in this summary. No violation by the Authority of any provision described in this summary shall constitute any Event of Default or a default under the Indenture or under the Act.

Termination. The obligation of the Authority described in this summary shall terminate if the Authority shall no longer have any legal liability for any obligation on or relating to repayment of the Series 2009E Bonds. The Authority shall give notice of termination in a timely manner to the MSRB.

Amendment and Waiver. The Authority may amend the undertakings described in this summary, and any provision of the undertaking may be waived, if: (i) the amendment or waiver is being made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Authority, or type of business conducted; (ii) the undertaking, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (iii) the amendment or waiver does not materially impair the interests of the beneficial owners of the Series 2009E Bonds, as determined by a party unaffiliated with the Authority (such as bond counsel) at the time of the amendment. Any such amendment shall be described in the next annual financial information.

**Appendix D**

**THE ORIGINAL OFFICIAL STATEMENT**

**Appendix E**

**FORM OF FREDDIE MAC CREDIT ENHANCEMENT AGREEMENT**

## Appendix F

### SUMMARY OF CERTAIN PROVISIONS OF THE REIMBURSEMENT AGREEMENT

*The following statements are a brief summary of certain provisions of the Reimbursement Agreement. The summary does not purport to be complete, and reference is made to the Reimbursement Agreement for a full and complete statement of the provisions thereof.*

#### **Defined Terms**

Capitalized terms used In this Appendix F and not defined herein or elsewhere in this Official Statement will have the meanings assigned to them in the Reimbursement Agreement.

#### **General**

The obligations of the Series 2009E Developer to Freddie Mac for providing the Freddie Mac Credit Enhancement will be evidenced by the Reimbursement Agreement. Under the Reimbursement Agreement, the Series 2009E Developer will be obligated to repay Freddie Mac all sums of money Freddie Mac has advanced to the Trustee under the Freddie Mac Credit Enhancement. The Reimbursement Agreement also provides that the Series 2009E Developer is to pay the Freddie Mac Credit Enhancement Fee, the Servicing Fees, and other fees and expenses as provided therein.

#### **Events of Default**

The occurrence of any one or more of the following constitutes an Event of Default under the Reimbursement Agreement:

- (i) the Series 2009E Developer fails to pay when due any amount payable by the Series 2009E Developer under the Reimbursement Agreement, including, without limitation, any fees, costs or expenses;
- (ii) the Series 2009E Developer fails to perform its obligations under certain covenants in the Reimbursement Agreement.
- (iii) the Series 2009E Developer fails to observe or perform any other term, covenant, condition or agreement set forth in the Reimbursement Agreement, which failure continues for a period of 30 days after notice of such failure by Freddie Mac to Series 2009E Developer (unless such default cannot with due diligence be cured within 30 days but can be cured within a reasonable period and will not, in Freddie Mac's sole discretion, adversely affect Freddie Mac or result in impairment of the Reimbursement Agreement, the Bond Mortgage, the Reimbursement Mortgage or any other Reimbursement Security Document, in which case no Event of Default shall be deemed to exist so long as Series 2009E Developer shall have commenced to cure the default or Event of Default within 30 days after receipt of notice, and thereafter diligently and continuously prosecutes such cure to completion); *provided, however*, no such notice or grace periods will apply in the case of any such failure which could, in Freddie Mac's judgment, absent immediate exercise by Freddie Mac of a right or remedy under the Reimbursement Agreement, result in harm to Freddie Mac, impairment of the Reimbursement Agreement, the Bond Mortgage or the Reimbursement Mortgage or any other Reimbursement Security Document;

(iv) the Series 2009E Developer fails to observe or perform any other term, covenant, condition or agreement set forth in any of the other Series 2009E Developer Documents or there otherwise occurs an “Event of Default” under the Reimbursement Mortgage or an event of default under any of the other Series 2009E Developer Documents (taking into account any applicable cure period);

(v) any representation or warranty made by or on behalf of the Series 2009E Developer in the Reimbursement Agreement, in any other Series 2009E Developer Document or in any certificate delivered by the Series 2009E Developer to Freddie Mac or to the Servicer pursuant to the Reimbursement Agreement or any other Series 2009E Developer Document is inaccurate or incorrect in any material respect when made or deemed made;

(vi) the Series 2009E Developer fails to complete all repairs and other rehabilitation in the time and manner required under the Rehabilitation Escrow Agreement;

(vii) the Borrower shall fail to deliver the executed HAP Contract by March 31, 2012;  
or

(viii) a default or event of default occurs under the terms of any other indebtedness permitted to be incurred by the Series 2009E Developer (after taking into account any applicable notice and cure period).

## **Remedies and Waivers**

Upon the occurrence of an Event of Default, Freddie Mac may declare all the obligations of the Series 2009E Developer under the Reimbursement Agreement to be immediately due and payable, in which case all such obligations will become due and payable, without presentment, demand, protest or notice of any kind, including notice of default, notice of intent to accelerate or notice of acceleration. In addition to the foregoing, Freddie Mac has the right to take such action at law or in equity, without notice or demand, as it deems advisable to protect and enforce the rights of Freddie Mac against the Series 2009E Developer in and to the Series 2009E Development conveyed by the Reimbursement Mortgage or the Bond Mortgage, including, but not limited to, the following actions: (i) demand cash collateral or Qualified Investments in the full amount of the obligations under the Bonds whether or not then due and payable by Freddie Mac under the Freddie Mac Credit Enhancement; (ii) give written notice to the Trustee stating that an Event of Default has occurred and is continuing under the Reimbursement Agreement and directing the Trustee to cause the mandatory redemption (or purchase in lieu) of the Bonds; (iii) exercise any rights and remedies available to Freddie Mac under any of the Series 2009E Developer Documents; and (iv) exercise the same rights, powers, and remedies with respect to the UCC Collateral (as defined in the Reimbursement Agreement) that the Series 2009E Developer may exercise, which rights, powers, and remedies are incorporated therein by this reference for all purposes. In furtherance and not in limitation of the foregoing, Freddie Mac shall have all rights, remedies and recourses with respect to the UCC Collateral granted in the Series 2009E Developer Documents and any other instrument executed in connection therewith, or existing at common law or equity (including specifically those granted by the Uniform Commercial Code as adopted in the State in which the filing of a UCC financing statement is necessary to perfect Freddie Mac’s security interest), the right of offset, the right to sell the UCC Collateral at public or private sale, and the right to receive distributions to the Series 2009E Developer.

In case of any sale by Freddie Mac of any of the UCC Collateral, which may be elected at the option and in the complete discretion of Freddie Mac, the UCC Collateral so sold may be retained by Freddie Mac until the selling price is paid by the purchaser, but Freddie Mac will not incur any liability in



case of failure of the purchaser to take up and pay for the UCC Collateral so sold. In case of any such failure, such UCC Collateral so sold may be again similarly sold. After deducting all costs or expenses of every kind (including, without limitation, the reasonable attorneys' fees and legal expenses incurred by Freddie Mac), Freddie Mac must apply the residue of the proceeds of any sale or sales to pay the Series 2009E Developer's unpaid payment Obligations under the Reimbursement Agreement, and then to pay any balance to the Series 2009E Developer or otherwise as required by law.

Freddie Mac has the right, to be exercised in its sole discretion, to waive any right under the Reimbursement Agreement. Unless such waiver expressly provides to the contrary, any waiver so granted will extend only to the specific event or occurrence which gave rise to the Event of Default so waived and not to any other similar event or occurrence which occurs subsequent to the date of such waiver.

### **Reimbursement Mortgage**

The obligations of the Series 2009E Developer under the Reimbursement Agreement will be secured by the Reimbursement Mortgage. The Reimbursement Mortgage will be subordinate to the Bond Mortgage, subject to the terms of the Intercreditor Agreement. Bondholders will have no rights under and are not third-party beneficiaries under the Reimbursement Mortgage.

### **Amendments**

The Reimbursement Agreement can be amended by Freddie Mac and the Series 2009E Developer without the consent of, or notice to, the Authority, the Trustee or the holders of the Bonds.

## Appendix G

### SUMMARY OF CERTAIN PROVISIONS OF THE INTERCREDITOR AGREEMENT

The Authority, the Trustee and Freddie Mac have agreed upon their respective rights arising from an Event of Default under any of the Bond Financing Documents or the Bond Mortgage Loan Documents relating to the Series 2009E Bonds in the Intercreditor Agreement. The following is a brief summary of certain provisions of the Intercreditor Agreement. The summary does not purport to be complete or definitive and is qualified in its entirety by reference to the full text of the Intercreditor Agreement, a copy of which is on file with the Trustee.

The Authority, the Trustee and Freddie Mac will agree upon their respective rights arising from an event of default under the Bond Financing Documents in an Intercreditor Agreement, dated as of the date of the Series 2009E Supplemental Indenture (the “**Intercreditor Agreement**”). Under the terms of the Intercreditor Agreement, the Authority, the Trustee and Freddie Mac will agree, among other things, that, until either (a) Freddie Mac fails to honor a draw properly presented in accordance with the terms of the Freddie Mac Credit Enhancement (a “**Wrongful Dishonor**”) or (b) the Freddie Mac Credit Enhancement terminates in accordance with its terms and all of the Series 2009E Developer’s obligations to Freddie Mac under the Reimbursement Agreement have been paid in full, certain of the rights and remedies of the Authority, the Trustee and Freddie Mac under the Bond Financing Documents, including (without limitation) the rights and remedies of the Trustee, as beneficiary under the Bond Mortgage may (except for the exercise of remedies to preserve the tax-exempt status of the Series 2009E Bonds and the Trustee’s right to seek payment of certain fees due under the Financing Agreement) be exercised only with the consent or at the direction of Freddie Mac, in its sole discretion, including (without limitation) the right to waive certain terms and conditions of the Bond Financing Documents pertaining to the Series 2009E Developer.

Notwithstanding anything to the contrary contained in the Financing Agreement and pursuant to the Intercreditor Agreement, as long as Freddie Mac is not in default of its obligations under the Freddie Mac Credit Enhancement, neither the Authority, the Trustee nor any other person, upon the occurrence of an event of default under any Bond Financing Document, is to take any action to accelerate or otherwise enforce payment or seek other remedies with respect to the Bond Financing Documents, except at the direction of Freddie Mac; *provided* that such prohibition will not be construed to limit the rights of the Authority or the Trustee to specifically enforce the Regulatory Agreement to provide for the operation of the Series 2009E Development in accordance with the Code and the Act or to enforce other Unassigned Rights or reserved rights of the Trustee; and *provided further* that such prohibition will not be construed to limit the indemnification rights of the Authority, the Trustee, the Servicer, Freddie Mac, or any other indemnified party to enforce its rights against the Series 2009E Developer under the Financing Agreement or the Reimbursement Agreement by mandamus or other suit, action or proceeding at law or in equity where such suit, action or proceeding does not seek any remedies under or with respect to the Bond Mortgage Loan.