



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-7000

OFFICE OF THE ASSISTANT SECRETARY
FOR COMMUNITY PLANNING AND DEVELOPMENT

April 10, 2015

Dear Sir or Madam:

Enclosed are documents that the City of Tempe (the "Borrower") requested related to the pending public offering of trust certificates guaranteed under Section 108 of the Housing and Community Development Act of 1974, as amended. The public offering date is firm for May 28, 2015, except for adverse market conditions. The offering will be underwritten by Credit Suisse Securities (USA) LLC and Bank of America Merrill Lynch. Capitalized terms used in this letter are more fully defined in the enclosed documents.

Even though the public offering will not be held until May 28, 2015, it is necessary that the Department of Housing and Urban Development (HUD) receive the properly executed documents from you by close of business on May 5, 2015. We must verify that we have all documents from all Borrowers, and that they are satisfactory, before pricing and before we can sign the Underwriting Agreement. If we do not receive the documents from you by May 5, your note will not be included in the public offering on May 28.

This underwritten public offering will be conducted pursuant to legislation which permits HUD to guarantee trust certificates that are backed by a trust composed of notes or other obligations guaranteed under Section 108. Your note will be included in such a trust, together with the notes of other participating Borrowers.

Previously executed Note(s) converting from interim financing to permanent, fixed rate financing will be delivered by/on behalf of the Holder to The Bank of New York Mellon, as Trustee, two days before the public offering date and will be held in trust. At closing, the Trustee will issue a single, separate certificate for each Principal Due Date specified in the Note. Each such certificate shall specify the applicable pass-through interest rate, which rate(s) will also be entered in the Schedule P&I attached to the Note for the applicable Principal Due Dates. An interest rate will be established for each trust certificate at pricing by the underwriters one week before the public offering date.

Enclosed are a Schedule P&I for your Note(s) and wire transfer instructions in connection with the offering. The Schedule P&I must be executed by an authorized representative of the Borrower [it is preferable, but not required, that documents be signed in blue ink]. The Aggregate Principal Amount of the Note shall be repaid in accordance with the enclosed Schedule P&I. Please verify that the Principal Amounts (payments) shown are correct, as they may not be changed after the offering. Interest will accrue on each Principal Amount at the pass-through interest rate on the related trust certificate, payable on the applicable Interest Due Dates (each February 1 or August 1, beginning August 1, 2015), through the Principal Due Date on the Schedule P&I, which dates correspond to the related distribution dates of payments to investors on the trust certificates). Each interest payment will consist of the aggregate of the

interest amounts accrued to the applicable date on the entire principal balance of the Note. However, all payments on the Note are actually due to the Trustee on the Note Payment Date seven Business Days before the applicable Interest Due Date or Principal Due Date. This is necessary to enable the Trustee to aggregate the payments and direct them to the proper investors, and also to enable HUD to honor its Guarantee by making payment on behalf of the Borrower from pledged grant funds if necessary. You will be notified by the Trustee of the amount of the required payment one month before each Note Payment Date.

The previously-executed Contract for Loan Guarantee Assistance Under Section 108 (the Contract) provides when and how payment of the costs/fees of the public offering is to be made. The final amount of the costs will not be known until the week before the public offering date. We will notify you of the amount at that time, as well as the amount of accrued interest payable on interim note Advances being paid off at the offering, if applicable.

The enclosed form for wire transfer of funds provides the information that you will need to remit the costs of the public offering as well as the next scheduled payment on the previously issued Note. These funds must be remitted no later than 10:30 a.m., May 27, 2015.

You submitted an opinion of counsel with previously executed financing documents pursuant to paragraph 4(b) of the Contract. If only a Schedule P&I is being executed at this time, then no further opinion of counsel is required.

Please return the executed documents and the legal opinion by May 5, 2015, to:

U.S. Department of Housing and Urban Development
Attention: Paul Webster, Director
Financial Management Division
451 Seventh St., SW, Room 7180
Washington, D.C. 20410

If you have any questions regarding this letter, please contact either myself or Terry Rouch at 202-402-7066, or send an email to paul.webster@hud.gov and Terry.E.Rouch@hud.gov (please be sure to copy both addresses). If your counsel has any questions about the legal opinion, please have your counsel contact Carey Whitehead or Makani Drummond of our Office of General Counsel at (202) 402-3106 or (202) 402-6192, respectively, or by email at carey.c.whitehead@hud.gov or Makani.D.Drummond@hud.gov.

Sincerely,

Paul Webster
Director
Financial Management Division

Enclosures