BOOK-ENTRY ONLY **RATING: Moody's: "Aaa" (See "RATING" herein.)**

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 Bonds is excluded from gross income for federal income tax purposes, except during the period when the Bonds are held by a "substantial user" of the facilities financed by the 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 Bonds is not a specific preference item and is not included in adjusted current earnings for purposes of the federal alternative minimum tax. In addition, in the opinion of Bond Counsel, under existing statutes, the Bonds, their transfer, the interest payable thereon, and any income derived therefrom, including any profit realized on the sale or exchange thereof, are exempt from taxation of every kind and nature whatsoever by the State of Maryland, except that no opinion is expressed with respect to any exemption from Maryland estate or inheritance taxes. See "TAX MATTERS" herein.

$27,590,000
Community Development Administration
Maryland Department of Housing and Community Development
Multifamily Development Revenue Bonds
(Marlborough Apartments)
Series 2014 I

Dated: Delivery Date **Maturity: As shown on inside cover page**

The Multifamily Development Revenue Bonds (Marlborough Apartments) Series 2014 I (the "Bonds") are being issued pursuant to a Trust Indenture dated as of December 1, 2014 (the "Indenture") and are being delivered in fully registered form only and are registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Ownership interests with respect to the Bonds may be purchased only in book-entry form in denominations of $5,000 and integral multiples thereof. So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, references herein to the Bondholders shall mean Cede & Co. and shall not mean the ultimate purchasers of the Bonds. See "THE BONDS – Book-Entry Only System." The Bonds shall bear interest at the rates set forth on the inside front cover page hereof and as described herein. Interest on the Bonds will be payable semiannually on each June 15 and December 15 (each, an "Interest Payment Date"), commencing June 15, 2015. So long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, payments of the principal of, premium, if any, and interest on, the Bonds will be made directly to DTC or its nominee, Cede & Co., by Manufacturers and Traders Trust Company, as trustee (the "Trustee"). Disbursements of such payments to DTC's Participants are the responsibility of DTC.

The proceeds of the Bonds will be applied to finance a mortgage loan (the "Loan") to the Borrower (as defined herein) for the acquisition and rehabilitation of a multifamily residential rental facility. The Loan will be made pursuant to a Financing Agreement dated as of December 1, 2014, by and among the Trustee, the Borrower and the Community Development Administration (the "Administration"), a unit of the Division of Development Finance of the Department of Housing and Community Development (the "Department"), a principal department of the State of Maryland, and upon the satisfaction of various conditions contained therein and in the Indenture.

Payment of the principal of and interest on the Bonds will be secured, to the extent described herein, by the Loan and by certain other resources and assets constituting the Trust Estate under the Indenture. In addition, payment of principal of and interest on the Bonds will be enhanced by a Credit Facility as described herein, issued by Fannie Mae. See Appendix G attached hereto for the form of the Credit Facility. The Credit Facility will terminate on December 20, 2031 (or earlier as provided therein).

FannieMae

FANNIE MAE'S OBLIGATIONS WITH RESPECT TO THE BONDS ARE SOLELY AS PROVIDED IN THE CREDIT FACILITY. THE OBLIGATIONS OF FANNIE MAE UNDER THE CREDIT FACILITY WILL BE OBLIGATIONS SOLELY OF FANNIE MAE, A FEDERALLY CHARTERED CORPORATION, AND WILL NOT BE BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA. THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA OR ANY OTHER AGENCY OR INSTRUMENTALITY OF THE UNITED STATES OF AMERICA OR OF FANNIE MAE. THE BONDS ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA.

The Bonds will be subject to redemption prior to their stated maturity dates at the prices, on the terms and upon the occurrence of the events described herein. The maturity of the Bonds may be accelerated upon the occurrence of certain events as further described herein. See "THE BONDS" and "APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Acceleration; Redemption and Purchase in Lieu of Redemption").

THE BONDS ARE SPECIAL OBLIGATIONS OF THE ADMINISTRATION, A UNIT OF THE DIVISION OF DEVELOPMENT FINANCE OF THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (THE "DEPARTMENT"), A PRINCIPAL DEPARTMENT OF THE STATE OF MARYLAND (THE "STATE"), PAYABLE SOLELY FROM THE TRUST ESTATE PLEDGED THEREFOR UNDER THE INDENTURE. THE ADMINISTRATION HAS NO TAXING POWER. THE BONDS DO NOT CONSTITUTE A DEBT OF THE STATE, ANY POLITICAL SUBDIVISION THEREOF, THE ADMINISTRATION OR THE DEPARTMENT, OR A PLEDGE OF THE FAITH, CREDIT OR TAXING POWER OF THE STATE, ANY SUCH POLITICAL SUBDIVISION, THE ADMINISTRATION OR THE DEPARTMENT.

THE BONDS WILL BE SECURED AS DESCRIBED UNDER THE CAPTIONS "INTRODUCTION" AND "SECURITY FOR THE BONDS" HEREIN.

This cover page of the Official Statement contains certain information for quick reference only. It is not a complete summary of the Bonds or their security. Investors should read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds are offered for delivery when, as and if issued by the Administration and accepted by the Underwriters, and the delivery of the Bonds is subject to the opinion of Kutak Rock LLP, Washington, D.C., Bond Counsel, as to the validity of, and the excludability from gross income for federal income tax purposes of interest on, the Bonds. Certain legal matters will be passed upon for the Administration by an Assistant Attorney General of the State of Maryland as Counsel to the Department. Certain legal matters will be passed upon for Fannie Mae by its counsel, Arent Fox LLP, New York, New York. Certain legal matters will be passed upon for the Borrower by its counsel, Peck, Shaffer & Williams, A Division of Dinsmore & Shohl LLP, Cincinnati, Ohio. Certain legal matters will be passed upon for the Underwriters by their counsel, Hawkins Delafield & Wood LLP, New York, New York. It is expected that the Bonds will be available for delivery to DTC on or about December 18, 2014.

J.P. Morgan

BofA Merrill Lynch **RBC Capital Markets**

Loop Capital Markets **M&T Securities, Inc.** **Morgan Stanley**

Date: December 11, 2014

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND PRICES

$5,715,000 Series 2014 I Serial Bonds

Maturity Dates	Principal Amounts	Interest Rates	CUSIP[1]
June 15, 2015	$215,000	0.20%	57419RRL1
December 15, 2015	220,000	0.25	57419RRM9
June 15, 2016	220,000	0.45	57419RRN7
December 15, 2016	220,000	0.55	57419RRP2
June 15, 2017	225,000	0.80	57419RRQ0
December 15, 2017	225,000	0.90	57419RRR8
June 15, 2018	225,000	1.15	57419RRS6
December 15, 2018	225,000	1.25	57419RRT4
June 15, 2019	225,000	1.45	57419RRU1
December 15, 2019	230,000	1.55	57419RRV9
June 15, 2020	230,000	1.80	57419RRW7
December 15, 2020	230,000	1.90	57419RRX5
June 15, 2021	235,000	2.20	57419RRY3
December 15, 2021	235,000	2.30	57419RRZ0
June 15, 2022	240,000	2.50	57419RSA4
December 15, 2022	245,000	2.55	57419RSB2
June 15, 2023	245,000	2.70	57419RSC0
December 15, 2023	250,000	2.75	57419RSD8
June 15, 2024	255,000	2.80	57419RSE6
December 15, 2024	255,000	2.85	57419RSF3
June 15, 2025	260,000	3.00	57419RSG1
December 15, 2025	265,000	3.00	57419RSH9
June 15, 2026	270,000	3.05	57419RSL0
December 15, 2026	270,000	3.05	57419RSM8

$21,875,000 Series 2014 I Term Bonds

Maturity Dates	Principal Amounts	Interest Rates	CUSIP[1]
December 15, 2016	$ 2,500,000	0.55%	57419RSK2
December 15, 2031	19,375,000	3.45	57419RSJ5

Price of all Bonds: 100%

[1] CUSIP is a registered trademark of the American Bankers Association (ABA). CUSIP data herein are provided by CUSIP Global Services, which is operated on behalf of the ABA by S&P Capital IQ, a division of McGraw Hill Financial, Inc.. CUSIP data herein are set forth for convenience of reference only. Neither the Administration nor the Underwriters of the Bonds assume any responsibility for the selection or use of CUSIP numbers or for the accuracy of such data. The CUSIP number for a specific maturity is subject to change after the issuance of the Bonds.

USE OF INFORMATION IN THIS OFFICIAL STATEMENT

No broker, dealer, salesperson or other Person has been authorized by the Administration to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement and, if given or made, such information or representations must not be relied upon as having been authorized by the Administration. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor will there be any sale of the Bonds, by any Person in any jurisdiction in which it is unlawful for such Person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Administration and other sources believed to be reliable. This information is not guaranteed as to accuracy and is not to be construed as a representation of such by the Administration. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the information or opinions set forth herein since the date hereof.

The information set forth herein relating to the Mortgaged Property (as defined in Appendix A) and the Borrower has been obtained from the Borrower, and all other information herein has been obtained by other sources believed to be reliable, but is not to be construed as a representation by the Administration. The information herein is subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Borrower or the Administration since the date hereof.

The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as a part of, their responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

Fannie Mae has not provided or approved any information in this Official Statement except with respect to the descriptions under the caption "THE CREDIT PROVIDER" and takes no responsibility for any other information contained in this Official Statement. Fannie Mae makes no representation as to the contents of this Official Statement (other than as described above), the suitability of the Bonds for any investor, the feasibility or performance of the Mortgaged Property, or compliance with any securities, tax or other laws or regulations. Fannie Mae's role will be limited to entering into the Credit Facility described herein.

Upon issuance, the Bonds will not be registered under the Securities Act of 1933, as amended, or listed on any stock or other securities exchange and the Indenture (as defined herein) will not have been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such Acts. The exemption from registration or qualification of the Bonds in accordance with applicable provisions of the securities laws of various states likewise cannot be regarded as a recommendation of the Bonds. Neither these states nor any of their agencies have passed upon the merits of the Bonds or the accuracy or the completeness of this Official Statement. Any representation to the contrary may be a criminal offense. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity has passed upon the accuracy or adequacy of this Official Statement.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE

BONDS TO CERTAIN DEALERS AND DEALER BANKS AND OTHERS AT A PRICE LOWER THAN THE PUBLIC OFFERING PRICE STATED ON THE COVER HEREOF AND SAID PUBLIC OFFERING PRICE MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THE OFFERING INCLUDING THE MERITS AND RISKS INVOLVED. THE BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT.

THIS OFFICIAL STATEMENT CONTAINS STATEMENTS WHICH, TO THE EXTENT THEY ARE NOT RECITATIONS OF HISTORICAL FACT, CONSTITUTE "FORWARD LOOKING STATEMENTS". IN THIS RESPECT, THE WORDS "ESTIMATE", "PROJECT", "ANTICIPATE", "EXPECT", "INTEND", "BELIEVE" AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD LOOKING STATEMENTS. A NUMBER OF IMPORTANT FACTORS AFFECTING THE ADMINISTRATION, FANNIE MAE AND THE BORROWER COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE STATED IN THE FORWARD LOOKING STATEMENTS.

References in the Official Statement to statutes, laws, regulations, resolutions, agreements, reports and documents do not purport to be comprehensive or definitive, and all such references are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. This Official Statement is distributed in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

The information in this Official Statement concerning DTC and DTC's book-entry only system has been obtained from DTC and the Administration takes no responsibility for the accuracy or completeness thereof. Such information has not been independently verified by the Administration and the Administration makes no representation as to the accuracy or completeness of such information.

References to World Wide Web internet addresses are intended to be inactive textual references only and in no event shall the inclusion of any such address be deemed to incorporate by reference the information available electronically therefrom.

TABLE OF CONTENTS

Page

OFFICIAL STATEMENT

$27,590,000
Community Development Administration
Maryland Department of Housing and Community Development
Multifamily Development Revenue Bonds
(Marlborough Apartments)
Series 2014 I

INTRODUCTION

The following is a summary of certain information contained in this Official Statement, to which reference should be made for a more complete statement thereof. The Bonds are described to potential investors only by means of the entire Official Statement. Capitalized terms used but not defined herein will have the meanings ascribed to them as set forth under "APPENDIX A – DEFINITIONS OF CERTAIN TERMS."

The following introductory statement is subject in all respects to more complete information contained elsewhere in this Official Statement. The order and placement of materials in this Official Statement, which includes the cover page and Appendices hereto, are not to be deemed to be a determination of relevance, materiality or relative importance, and this Official Statement, including the cover page and Appendices hereto, must be considered in its entirety. Certain capitalized terms used in this Official Statement are defined herein and in the Appendices hereto.

General

The purpose of this Official Statement is to provide information in connection with the issuance by the Community Development Administration (the "Administration"), a unit of the Division of Development Finance of the Department of Housing and Community Development (the "Department"), a principal department of the State of Maryland (the "State"), of the above-captioned bonds (the "Bonds"). The Administration is authorized to issue the Bonds pursuant to Sections 4-101 through 4-255 of the Housing and Community Development Article of the Annotated Code of Maryland, as amended (the "Act"). The Bonds are issued pursuant to the Trust Indenture dated as of December 1, 2014 (the "Indenture") by and between the Administration and Manufacturers and Traders Trust Company, as trustee (the "Trustee"). The Administration is using the proceeds of the Bonds to make a mortgage loan (the "Loan") to Marlborough Revitalization 2013, LP, a limited partnership duly organized and existing under the laws of the State of Maryland (the "Borrower"), to provide for the financing of the acquisition, rehabilitation and equipping of a multifamily housing apartment building in Baltimore City, Maryland. See "THE BORROWER AND THE MORTGAGED PROPERTY" herein.

Fannie Mae ("Fannie Mae" or the "Credit Provider") will provide credit enhancement for the Bonds, pursuant to, and subject to the limitations of, a Stand-By Irrevocable Transferable Credit Enhancement Instrument (the "Credit Facility"), provided by the Credit Provider to the Trustee. The form of the Credit Facility is attached hereto as "APPENDIX G – FORM OF CREDIT FACILITY." See also "THE CREDIT PROVIDER" herein.

The Credit Facility will provide credit support for certain payments due on the Bonds. The Credit Facility will be a stand-by facility, providing coverage in the event there are insufficient funds available to make certain payments due on the Bonds as required under the Indenture. The Credit Facility will also cover the risk of disgorgement in bankruptcy. Payments made under the Credit Facility, if made timely and in full, are intended to be sufficient to pay the principal of and interest on the Bonds. The Credit

Provider will have no obligation under the Credit Facility to pay premium, if any, on the Bonds. The Credit Provider's obligation to make payments under the Credit Facility will be absolute, unconditional and irrevocable. Such obligation will be a general, unsecured obligation of the Credit Provider. If the Credit Provider fails to perform such obligation, the Trustee will receive only payments and other recoveries on the Loan itself, and a delinquency or default on the Loan at that time would seriously and adversely affect monthly payments to the Trustee.

To evidence the obligation of the Borrower to reimburse the Credit Provider for any funds provided by the Credit Provider under the Credit Facility, the Borrower and Fannie Mae will enter into a Reimbursement Agreement, dated as of December 1, 2014 (the "Reimbursement Agreement"). See "APPENDIX F – SUMMARY OF CERTAIN PROVISIONS OF THE REIMBURSEMENT AGREEMENT" attached hereto.

FANNIE MAE'S OBLIGATIONS WITH RESPECT TO THE BONDS ARE SOLELY AS PROVIDED IN THE CREDIT FACILITY. THE OBLIGATIONS OF FANNIE MAE UNDER THE CREDIT FACILITY WILL BE OBLIGATIONS SOLELY OF FANNIE MAE, A FEDERALLY CHARTERED CORPORATION, AND WILL NOT BE BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA. THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA OR ANY OTHER AGENCY OR INSTRUMENTALITY OF THE UNITED STATES OF AMERICA OR OF FANNIE MAE. THE BONDS ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA.

The Loan will be made pursuant to a Financing Agreement dated as of December 1, 2014 (the "Financing Agreement"), by and among the Administration, the Trustee and the Borrower, and upon the satisfaction of various conditions contained therein and in the Indenture.

The Loan will be evidenced by a Multifamily Note (the "Note") executed by the Borrower. The Note will be payable to the Administration and will be secured by, among other things, a Multifamily Deed of Trust, Assignment of Rents and Security Agreement (the "Security Instrument") from the Borrower to the Administration and Fannie Mae, as their interest may appear. The Note and the Security Instrument will, pursuant to the Assignment, as described below, be assigned by the Administration to the Trustee and Fannie Mae, as their interests may appear, and will continue to be part of the Trust Estate securing the Bonds.

Pursuant to an Assignment and Intercreditor Agreement, dated as of the date of the Indenture (the "Assignment"), among the Administration, the Credit Provider and the Trustee and acknowledged by the Borrower, the Administration will assign the Loan to the Trustee and Fannie Mae, as their interests may appear, without recourse, and upon such assignment, the Loan will be part of the Trust Estate. The right, power and authority to make all decisions in connection with the Loan and all rights and remedies (other than Reserved Rights) under the Note, the Security Instrument, the Financing Agreement and all of the other Loan Documents (as defined in Appendix A) (collectively, the "Assigned Documents") will be vested, pursuant to the Assignment, exclusively in the Credit Provider, unless either all obligations owed by the Borrower to the Credit Provider have been satisfied, or a Wrongful Dishonor continues and is not timely remedied after the giving of notice and request to remedy, in which case such right, power and authority will be vested in the Trustee. Fannie Mae also will have the right at any time, upon filing with the Trustee a certification reaffirming Fannie Mae's obligations under the Credit Facility, to direct the Trustee to assign all of its right, title and interest in and to the Assigned Documents to Fannie Mae.

In order to assure compliance with the applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), there has been executed and delivered a Declaration of Restrictive

Covenants and Regulatory Agreement, dated as of the Closing Date (the "Regulatory Agreement"), by and between the Administration and the Borrower. The Regulatory Agreement requires that the residential rental units in the Mortgaged Property be occupied or held for occupancy by tenants with incomes below the levels described in "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT" at restricted rents. The Mortgaged Property will be further restricted as described under the heading "THE BORROWER AND THE MORTGAGED PROPERTY" herein.

PNC Bank, National Association (the "Loan Servicer") will act as servicer for the Loan and payments on the Loan will be made by the Borrower to the Loan Servicer for the benefit of the Trustee. See "THE LOAN SERVICER" herein.

THE BONDS ARE SPECIAL OBLIGATIONS OF THE ADMINISTRATION, A UNIT OF THE DIVISION OF DEVELOPMENT FINANCE OF THE DEPARTMENT, A PRINCIPAL DEPARTMENT OF THE STATE, PAYABLE SOLELY FROM THE TRUST ESTATE PLEDGED THEREFOR UNDER THE INDENTURE. THE ADMINISTRATION HAS NO TAXING POWER. THE BONDS DO NOT CONSTITUTE A DEBT OF THE STATE, ANY POLITICAL SUBDIVISION THEREOF, THE ADMINISTRATION OR THE DEPARTMENT, OR A PLEDGE OF THE FAITH, CREDIT OR TAXING POWER OF THE STATE, ANY SUCH POLITICAL SUBDIVISION, THE ADMINISTRATION OR THE DEPARTMENT.

Brief descriptions of the Administration, the Bonds, the security for the Bonds, the Credit Provider, the Borrower, the Mortgaged Property, the Indenture, the Financing Agreement, the Assignment, the Credit Facility, the Regulatory Agreement, the Reimbursement Agreement, and the Security Instrument are included in this Official Statement. All references herein to the Indenture, the Financing Agreement, the Assignment, the Credit Facility, the Regulatory Agreement, the Reimbursement Agreement, the Security Instrument and other documents and agreements are qualified in their entirety by reference to such documents and agreements, copies of which are available for inspection at the offices of the Trustee.

THE ADMINISTRATION

The information under this heading has been provided solely by the Administration and has not been independently verified by the Trustee, the Borrower, the Underwriters, Fannie Mae, the Loan Servicer or any of their respective counsel, members, officers or employees or Bond Counsel. No representation whatsoever as to the accuracy, adequacy or completeness of such information is made by the Trustee, the Borrower, the Underwriters, Fannie Mae, the Loan Servicer or any of their respective counsel, members, officers or employees or Bond Counsel.

General Information

The Administration was created in 1970 as a division of the Department of Economic and Community Development to meet the shortage of adequate, safe and sanitary housing in the State, particularly for persons or families of limited incomes. Chapter 311 of the Acts of Maryland 1987, effective July 1, 1987, abolished the Department of Economic and Community Development, created the Department and assigned the Administration as a unit of the Division of Development Finance of the Department.

The Secretary is the head of the Department and is appointed by the Governor of the State with the advice and consent of the Senate. The Department consists of five divisions: the Division of

Development Finance, the Division of Credit Assurance, the Division of Finance and Administration, the Division of Neighborhood Revitalization and the Division of Information Technology.

The Division of Development Finance is the lending and bond issuing division of the Department, originating loans under the Department's various lending programs and providing underwriting services for loans to the Department and its other divisions and agencies.

The Secretary, with the approval of the Governor, appoints the Director of the Administration, and the Director of the Administration, with the approval of the Secretary, appoints the Deputy Directors of the Administration and the other senior staff members of the Administration. The Act establishes the Review Committee which has the responsibility to review and to give recommendations to the Secretary regarding loans or categories of loans and the investment and project financing policies of the Administration. The Review Committee consists of seven members appointed by the Governor, including three members of the public and three members of the Department and one member of the Executive Branch not employed by the Department. When urgent action is required, the Secretary may approve a specific loan request without receiving the recommendation of the Review Committee.

The Division of Credit Assurance, the insuring division of the Department, provides certain asset management, monitoring and workout related services to the Department and its divisions and agencies, including the Administration.

The Division of Finance and Administration provides budget, accounting, auditing and administrative services to the Department. In addition, the Administration has a finance office which handles finance and accounting for lending and bond activities and insurance activities. The Administration's finance office reports directly to the Director of the Administration.

The Division of Information Technology develops and maintains information systems and trains Departmental staff in the use of computer resources.

The Division of Neighborhood Revitalization provides state and federal financial assistance including loans, grants, guaranties and state tax credits to Maryland's sustainable communities; provides technical assistance programs to local governments, nonprofit organizations and small businesses to reinvest in these communities; and provides financial assistance to enable foreclosure prevention/mitigation housing and legal counseling.

The Department has established a Revenue Bond Advisory Board (the "Board"). The Board provides independent advice and expertise to the Department with respect to issuance of revenue bonds, including the Bonds. The Board consists of seven members appointed by the Secretary, including the Deputy Secretary (who chairs the Board), one other representative of the Department, two representatives of other agencies of State government (one from an agency which issues revenue bonds), one representative of the State Treasurer's Office, and two members of the public. The Board reviews and makes recommendations to the Secretary with respect to each issuance of bonds. The Secretary has the final authority to approve each issuance after receipt of the Board's recommendation. When urgent action is required, the Secretary may approve an issuance of bonds without action by the Board or may vary the terms of the Board's recommendation. In addition, the Board advises the Department on procedures for issuing bonds and on selection and performance of financial advisors, underwriters, and accountants.

The Administration pays all costs and expenses of operating its programs from earnings received from its programs financed by bond indentures and resolutions of the Administration in excess of the amounts required to pay principal of and interest on its bonds and notes.

The Bonds are not, under any circumstances, payable from or secured by any other funds or assets of the Administration not expressly pledged to payment of the Bonds, including, without limitation, the Administration's General Bond Reserve Fund.

The office of the Administration is located at 100 Community Place, Crownsville, Maryland 21032. Inquiries for documents or concerning this Official Statement should be directed to Investor Relations at (410) 514 7326 or CDAbonds_mailbox.dhcd@maryland.gov.

Limited Involvement of the Administration

The Administration has no obligation to review, control or oversee the activities of the Trustee, Fannie Mae or the Borrower or the compliance by either of them with any covenants or provisions of any related documents, including (without limitation) any covenants that relate to the excludability from gross income of interest on the Bonds.

THE ADMINISTRATION ASSUMES NO RESPONSIBILITY FOR THE ACCURACY, SUFFICIENCY OF DISCLOSURES OR COMPLETENESS OF ANY INFORMATION PROVIDED BY THE BORROWER, FANNIE MAE, THE TRUSTEE OR ANY OTHER PERSON FOR INCLUSION HEREIN.

THE BONDS

General

The Bonds are issued in fully registered form and are registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"). DTC acts as securities depository for the Bonds. Individual purchases are made in book-entry form. Purchasers will not receive certificates representing their interest in the Bonds purchased. So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the Bondholders or registered owners of the Bonds mean Cede & Co. and not the beneficial owners of the Bonds.

So long as Cede & Co. is the registered owner of the Bonds, principal of and interest on the Bonds are payable by the Trustee by wire transfer of New York clearing house or equivalent next-day funds, to Cede & Co., as nominee for DTC. DTC will, in turn, remit such amounts to any broker-dealer, bank or other financial institution for which DTC holds Bonds from time to time as securities depository ("DTC Participants") for subsequent disbursement to the beneficial owners. See "THE BONDS — Book-Entry Only System" herein.

The Bonds shall be dated as of the Date of Delivery and shall bear interest payable on each Interest Payment Date, commencing June 15, 2015, at the rates and mature on the dates set forth on the inside front cover hereof.

Interest on the Bonds shall be computed on the basis of a 360-day year consisting of twelve 30-day months. The Bonds shall bear interest from the Interest Payment Date next preceding the date of authentication of the Bonds. If the date of authentication is an Interest Payment Date for which interest has been paid or is after the Record Date, but prior to the next Interest Payment Date, the Bonds shall bear interest from such Interest Payment Date. If the date of authentication is prior to the Record Date for the first Interest Payment Date, the Bonds shall bear interest from the Delivery Date of the Bonds. Notwithstanding the foregoing, if at the time of authentication of any Bond, interest on the Bond is in default, the Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment, or if no interest has been paid on the Bond, from the Delivery Date of the Bond.

The principal of and the interest and any premium on the Bonds are payable in lawful money of the United States of America to the Registered Owners in whose names the Bonds are registered at the close of business on the applicable Record Date.

While Bonds are held in the Book-Entry System, payment of interest thereon shall be made on each Interest Payment Date, and payment of the principal of any Bond and any premium shall be made on its Maturity Date or date fixed for purchase, redemption or other payment, in each case by wire transfer of New York Clearing House or equivalent next-day funds or in such other manner as is permitted by the Letter of Representations to the account of Cede & Co. at the address indicated for Cede & Co. in the bond register kept by the Trustee.

With respect to any Bonds that are not held in the Book-Entry System, payment of interest on the Bonds shall be made on each Interest Payment Date by check drawn upon the Trustee and mailed by first class mail, postage prepaid, to the addresses of the Registered Owners as they appear on the Bond Register or to such other address as may be furnished in writing by any Registered Owner to the Trustee prior to the applicable Record Date. Payment of the principal of any Bond and premium, if any, together with interest (other than interest payable on a regularly scheduled Interest Payment Date) shall be made by check only upon presentation and surrender of the Bond on or after its Maturity Date or date fixed for purchase, redemption or other payment at the office of the Trustee designated for that purpose. Notwithstanding the foregoing, payment of principal of and interest and any premium on any Bond shall be made by wire transfer to any account within the United States of America designated by a Registered Owner owning $1,000,000 or more in aggregate principal amount of Bonds if a written request for wire transfer in form and substance satisfactory to the Trustee is delivered to the Trustee by any such Registered Owner not less than five Business Days prior to the applicable payment date. A request for wire transfer that specifies that it is effective with respect to all succeeding payments of principal, interest and any premium will be so effective unless and until rescinded in writing by the Registered Owner at least five Business Days prior to a Record Date.

Any interest on any Bond that is due and payable, but is not punctually paid or duly provided for, on any Interest Payment Date ("Defaulted Interest") shall be paid in the manner described in this paragraph. The Trustee, prior to the payment of the Defaulted Interest, shall establish a special record date ("Special Record Date") for such payment. A Special Record Date may not be more than 15 nor less than ten days prior to the date of the proposed payment. Payment of Defaulted Interest shall then be made by check or wire transfer, as permitted above, mailed or remitted to the Registered Owners in whose names the Bonds are registered on the Special Record Date.

Payments Due on Non-Business Days

In any case where a date of payment with respect to any Bonds shall be a day other than a Business Day, then such payment need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on such date, and no interest shall accrue for the period from and after such date provided that payment is made on such next succeeding Business Day.

Book-Entry-Only System

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

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

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond Documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

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

Payments of principal of, premium, if any, and interest on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Administration or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Administration, or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments and premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Administration or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

The book-entry system for registration of the ownership of the Bonds shall be discontinued in the event that the Bonds are purchased in lieu of redemption pursuant to the Indenture.

Redemption Provisions

All redemptions must be in Authorized Denominations.

Optional Redemption. On and after December 15, 2015, the Term Bonds maturing December 15, 2016 are subject to optional redemption in whole, but not in part, from optional partial prepayment of the Loan by the Borrower, at the redemption price equal to the principal amount to be redeemed, without premium, plus accrued interest, if any, to the Redemption Date, provided that the Borrower shall deliver or cause to be delivered to the Trustee, with copies to the Administration and the Tax Credit Investor (as defined in Appendix A), a certificate of the Borrower's accountant stating that the Mortgaged Property has been "placed in service" for federal income tax purposes.

On and after December 15, 2024, the Bonds maturing on and after June 15, 2025 are subject to optional redemption in whole or in part from optional prepayment of the Loan by the Borrower, at a redemption price equal to the principal amount to be redeemed, without premium, plus accrued interest, if any, to the Redemption Date.

Premium from Available Moneys other than the Credit Facility; Available Moneys Requirement. The principal of and accrued interest on any Bond being redeemed under the Indenture shall be paid from an Advance under the Credit Facility, and the premium, if any, must be paid with Available Moneys other than amounts under the Credit Facility. Optional redemption pursuant to the Indenture as described above is not permitted unless (i) the redemption is effected solely with Available Moneys or (ii) Fannie Mae provides its prior written consent to a redemption with funds other than Available Moneys. Notwithstanding any other provision of the Indenture to the contrary and regardless of any consent to redemption pursuant to the preceding clause (ii), optional redemption of the Bonds shall not be permitted unless on or before the Redemption Date, the Trustee has on hand Available Moneys in an amount sufficient to pay the premium, if any, payable in connection with the optional redemption of Bonds other than from an Advance under the Credit Facility. None of the Administration, the Trustee, the Credit Provider or the Loan Servicer shall have any obligation to provide funds in connection with the optional redemption of the Bonds.

Mandatory Redemption. The Bonds are subject to mandatory redemption on the earliest practicable Redemption Date for which timely notice of redemption can be given pursuant to the Indenture following the occurrence of the event requiring such redemption as described in subparagraphs (a) and (b) below. Bonds will be redeemed at a redemption price equal to 100% of the principal amount of such Bonds, without premium, plus accrued interest to the Redemption Date. Bonds subject to mandatory redemption in part shall be redeemed in Authorized Denominations or shall be redeemed in such amounts so that the Bonds Outstanding following the redemption are in Authorized Denominations. If the Trustee receives an amount for the mandatory redemption of Bonds which is not equal to a whole integral multiple of the Authorized Denomination, the Trustee shall redeem Bonds in an amount equal to the next lower whole integral multiple of the Authorized Denomination to the amount received by the Trustee and hold any excess amount in the Redemption Account.

(a) *Casualty or Condemnation*. The Bonds will be subject to redemption in whole or in part in the event and to the extent that proceeds of insurance from any casualty to, or proceeds of any award from any condemnation of, or any award as part of a settlement in lieu of condemnation of, the Mortgaged Property are applied in accordance with the Security Instrument to the prepayment of the Loan.

(b) *After an Event of Default Under the Reimbursement Agreement*. The Bonds will be subject to redemption in whole or in part in an amount specified by and at the written direction of the Credit Provider requiring that the Bonds be redeemed following any Event of Default under the Reimbursement Agreement. The Redemption Date shall be the earliest practicable date, but in no event shall such redemption occur later than two Business Days prior to the date, if any, that the Credit Facility terminates on account of the Credit Provider's giving of direction to the Trustee to redeem the Bonds in whole or in part.

(c) *Sinking Fund Redemption.*

(i) The Bonds maturing December 15, 2031 shall be redeemed at the times and in the amounts set forth in the following Sinking Fund Schedule (subject to the provisions of the Indenture permitting amounts to be credited toward part or all of any one or more Sinking Fund Payments):

SINKING FUND SCHEDULE

Redemption Dates	Principal Amounts
June 15, 2027	280,000
December 15, 2027	280,000
June 15, 2028	285,000
December 15, 2028	290,000
June 15, 2029	295,000
December 15, 2029	300,000
June 15, 2030	305,000
December 15, 2030	310,000
June 15, 2031	315,000
December 15, 2031[†]	16,715,000

[†] Final Maturity

(ii) If less than all of such Bonds have been redeemed other than from Sinking Fund Payments applicable to such Bonds, the principal amount of such Bonds to be redeemed in each year from Sinking Fund Payments shall be decreased pro rata among all Sinking Fund Payments applicable to such Bonds. Any such proportional redemption shall be confirmed in writing to the Trustee by the Loan Servicer.

Notice of Redemption

For any redemption of Bonds described under:

(1) the heading "Optional Redemption" or paragraph (a) under the heading "Mandatory Redemption" above, the Trustee shall give notice of redemption by first class mail, postage prepaid, not less than twenty days prior to the specified Redemption Date, to the Registered Owner of each Bond to be redeemed at the address of such Registered Owner as shown on the Bond Register. With respect to Book-Entry Bonds, if the Trustee sends notice of redemption to the Securities Depository pursuant to the Letter of Representations, the Trustee shall not be required to give the notice set forth in the immediately preceding sentence.

(2) paragraph (b) under the heading "Mandatory Redemption" above, immediate notice of redemption will be given upon receipt of the written direction of the Credit Provider.

(3) paragraph (c) under the heading "Mandatory Redemption" above, the Trustee will give notice of redemption as described in "APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Revenue Fund – Redemption Account – Disbursements from Redemption Account for Sinking Fund Payments – Redemption".

(4) the heading "Optional Redemption" above, the notice of redemption shall state that it is conditioned upon receipt by the Trustee of sufficient moneys to redeem the Bonds, including Available Moneys to pay any redemption premium in full ("Conditional Redemption"), and such notice and optional redemption shall be of no effect if either (i) by no later than the scheduled redemption date, sufficient moneys to redeem the Bonds and sufficient Available Moneys to pay any redemption premium, have not been deposited with the Trustee, or, if such moneys are deposited, are not available on the redemption date or (ii) the Trustee at the written direction of the Credit Provider rescinds such notice on or prior to the scheduled redemption date. The Trustee shall cause a second notice of redemption to be sent by first class mail, postage prepaid, on or within 10 days after the thirtieth day after the Redemption Date to any Bondholder who has not submitted its Bond to the Trustee for payment.

Each notice of redemption must state: (i) the date of the redemption notice; (ii) the Closing Date and the complete official name of the Bonds, including the series designation; (iii) for each Bond to be redeemed, the interest rate, maturity date and in the case of a partial redemption of Bonds, the principal amount of each Bond to be redeemed; (iv) the CUSIP numbers of all Bonds being redeemed; (v) the place or places where the Bonds to be redeemed must be surrendered for payment and where amounts due upon such redemption will be payable upon surrender of the Bonds to be redeemed; (vi) the Redemption Date and redemption price of each Bond to be redeemed; (vii) the name, address and telephone number of the contact person at the office of the Trustee with respect to such redemption; (viii) that interest on all Bonds to be redeemed will not accrue from and after the Redemption Date; (ix) if a redemption is a Conditional Redemption, that redemption is conditional upon receipt by the Trustee of sufficient moneys to redeem the Bonds including Available Moneys to pay any redemption premium and (x) that the Credit Provider may direct the Trustee to cancel such redemption upon the occurrence of any Event of Default under the Reimbursement Agreement.

At the same time notice of redemption is sent to the Registered Owners the Trustee shall send notice of redemption by first class mail, overnight delivery service or such other means as is acceptable to the recipient, postage or delivery fee prepaid (or as specified below) (i) to the Rating Agency, (ii) if the Bonds are not subject to the Book-Entry System, to certain municipal registered Securities Depositories which are known to the Trustee to be holding Bonds, on the second Business Day prior to the date the notice of redemption is mailed to the Bondholders, and (iii) at least two of the national Information Services that disseminate securities redemption notices.

If notice is given as stated in the Indenture, failure of any Bondholder to receive such notice, or any defect in the notice, shall not affect the redemption or the validity of the proceedings for the redemption of the Bonds.

The Trustee shall rescind any Conditional Redemption if the conditions for optional redemption described above shall not have been met on or before the Redemption Date or the Trustee has received a direction to cancel the Conditional Redemption from the Credit Provider. The Trustee shall give notice of rescission by the same means as is provided in the Indenture for the giving of notice of redemption or by Electronic Means confirmed in writing. The optional redemption shall be canceled once the Trustee has given notice of rescission. Any Bonds subject to Conditional Redemption where redemption has been rescinded shall remain Outstanding, and neither the rescission nor the failure of funds being made available in part or in whole on or before the Redemption Date shall constitute an Event of Default. Notwithstanding notice having been given in the manner described above, any optional redemption of Bonds shall be canceled with the consent of or at the direction of the Credit Provider if the Credit Provider has notified the Trustee in writing that an Event of Default under the Reimbursement Agreement has occurred.

Redemption Payments

If notice of redemption has been given and the conditions for such redemption, if applicable, have been met, the Bonds called for redemption shall become due and payable on the Redemption Date, interest on those Bonds will cease to accrue from and after the Redemption Date and the called Bonds will no longer be Outstanding. The holders of the Bonds so called for redemption shall thereafter no longer have any security or benefit under the Indenture except to receive payment of the redemption price for such Bonds upon surrender of such Bonds to the Trustee. All moneys held by or on behalf of the Trustee for the redemption of particular Bonds will be held in trust for the account of the holders of the Bonds to be redeemed.

Selection of Bonds to be Redeemed Upon Partial Redemption

If less than all the Outstanding Bonds of any maturity are called for redemption, the Trustee shall select by lot, in such manner as it determines in its discretion, the Bonds, or portions of the Bonds in Authorized Denominations, to be redeemed. Bonds which have previously been selected for redemption will not be deemed Outstanding for these purposes. Notwithstanding the foregoing, the Securities Depository for Book-Entry Bonds shall select the Bonds for redemption within particular maturities according to its stated procedures.

Purchase of Bonds in Lieu of Redemption

If the Bonds are called for redemption in whole or in part pursuant to an optional redemption or a mandatory redemption after an Event of Default under the Reimbursement Agreement, and Available Moneys are held in any Fund or Account for such redemption, the Bonds so called for redemption may be purchased in lieu of redemption as described under this heading.

Purchase in Lieu of Redemption. Purchase in lieu of redemption shall be available for all of the Bonds called for redemption or for such lesser portion of such Bonds as constitute Authorized Denominations. The Credit Provider or the Borrower with the written consent of the Credit Provider, as applicable, may direct the Trustee to purchase all or such lesser portion of the Bonds so called for redemption.

If so directed, the Trustee shall purchase such Bonds on the date which otherwise would be the Redemption Date. Any of the Bonds called for redemption that are not purchased in lieu of redemption shall be redeemed as otherwise required by the Indenture on the Redemption Date.

Purchase Price. The purchase price of the Bonds shall be equal to the outstanding principal of, accrued and unpaid interest on and the redemption premium, if any, which would have been payable on such Bonds on the Redemption Date for such redemption. To pay the purchase price of such Bonds, the Trustee shall use such Available Moneys (unless Fannie Mae has provided its prior written consent to an optional redemption with other than Available Moneys, in which event, with respect to clause (1) below, sufficient moneys), if any, in:

(1) the Interest Account or the Redemption Account to pay the principal and interest components of the purchase price; and

(2) the Redemption Account to pay the redemption premium component of the purchase price;

that the Trustee would have used to pay the outstanding principal of, accrued and unpaid interest on and the redemption premium, if any, that would have been payable on the redemption of such Bonds on the Redemption Date. The Trustee shall not purchase the Bonds as described under this heading if by no later than the Redemption Date, sufficient Available Moneys, or sufficient moneys, as applicable, have not been deposited with the Trustee, or such moneys are deposited, but are not available.

No Notice to Bondholders. No notice of the purchase in lieu of redemption shall be required to be given to the Bondholders (other than the notice of redemption otherwise required under the Indenture).

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

Under the Indenture, to secure the payment of the principal of and interest and any premium on the Bonds according to their tenor and effect, to secure, on a parity basis, all obligations owed to the Credit Provider under the Credit Facility Documents and the Loan Documents, and to secure the performance and observance by the Administration of the covenants expressed in the Indenture and in the Bonds, the Administration absolutely and irrevocably pledges and assigns the property described in the following paragraphs (1) through (5) to the Trustee for the benefit of the Bondholders and to the Credit Provider, as their interests may appear, subject to the Assignment and the provisions of the Indenture permitting the application of such property for the purposes set forth in the Indenture:

(1) all right, title and interest of the Administration in and to the Loan, including the Note, the Security Instrument and the other Loan Documents and in and to the Financing Agreement, reserving, however, the Reserved Rights;

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

(3) all right, title and interest of the Administration in and to the Revenues, the Net Bond Proceeds and the accrued interest, if any, derived from the sale of the Bonds, and all Funds and Accounts under the Indenture (including, without limitation, moneys, documents, securities, investments, Investment Income, instruments and general intangibles on deposit or otherwise held by the Trustee) but excluding all moneys in the Fees Account, the Rebate Fund and the Costs of Issuance Fund (including within such exclusion Investment Income retained in the Costs of Issuance Fund and the Rebate Fund);

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

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

Limited Obligations

THE BONDS ARE SPECIAL OBLIGATIONS OF THE ADMINISTRATION, A UNIT OF THE DIVISION OF DEVELOPMENT FINANCE OF THE DEPARTMENT, A PRINCIPAL DEPARTMENT OF THE STATE, PAYABLE SOLELY FROM THE TRUST ESTATE PLEDGED THEREFOR UNDER THE INDENTURE. THE ADMINISTRATION HAS NO TAXING POWER. THE BONDS DO NOT CONSTITUTE A DEBT OF THE STATE, ANY

POLITICAL SUBDIVISION THEREOF, THE ADMINISTRATION OR THE DEPARTMENT, OR A PLEDGE OF THE FAITH, CREDIT OR TAXING POWER OF THE STATE, ANY SUCH POLITICAL SUBDIVISION, THE ADMINISTRATION OR THE DEPARTMENT.

FANNIE MAE'S OBLIGATIONS WITH RESPECT TO THE BONDS ARE SOLELY AS PROVIDED IN THE CREDIT FACILITY. THE OBLIGATIONS OF FANNIE MAE UNDER THE CREDIT FACILITY WILL BE OBLIGATIONS SOLELY OF FANNIE MAE, A FEDERALLY CHARTERED CORPORATION, AND WILL NOT BE BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA. THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA OR ANY OTHER AGENCY OR INSTRUMENTALITY OF THE UNITED STATES OF AMERICA OR OF FANNIE MAE. THE BONDS ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA.

The Credit Facility

To provide security for the Bonds it is expected that Fannie Mae will enter into the Credit Facility with the Trustee. See "THE CREDIT PROVIDER" and Appendix G hereto.

THE CREDIT PROVIDER

The information under this heading has been provided solely by Fannie Mae and has not been independently verified by the Administration, the Borrower, the Underwriters, the Loan Servicer or any of their respective counsel, members, officers or employees. No representation whatsoever as to the accuracy, adequacy or completeness of such information is made by the Administration, the Borrower, the Underwriters, the Loan Servicer or any of their respective counsel, members, officers or employees.

Fannie Mae is a federally chartered corporation organized and existing under the Federal National Mortgage Association Charter Act, 12 U.S.C. 1716 et seq. Fannie Mae was originally established in 1938 as a United States government agency to provide supplemental liquidity to the mortgage market and became a stockholder owned and privately managed corporation by legislation enacted in 1968.

Fannie Mae purchases, sells, and otherwise deals in mortgages in the secondary market rather than as a primary lender. It does not make direct mortgage loans but acquires mortgage loans originated by others. In addition, Fannie Mae issues mortgage backed securities ("MBS"), primarily in exchange for pools of mortgage loans from lenders. Fannie Mae receives guaranty fees for its guarantee of timely payment of principal of and interest on MBS certificates.

On September 6, 2008, Fannie Mae's safety and soundness regulator, the Federal Housing Finance Agency, or FHFA, placed Fannie Mae into conservatorship. As the conservator, FHFA succeeded to all rights, titles, powers and privileges of Fannie Mae, and of any stockholder, officer, or director of Fannie Mae with respect to Fannie Mae and the assets of Fannie Mae.

On September 7, 2008 Fannie Mae, through its conservator, entered into two agreements with the U.S. Department of the Treasury ("Treasury") – a Senior Preferred Stock Purchase Agreement ("Stock Purchase Agreement") and a Common Stock Warrant ("Warrant"). Pursuant to the Stock Purchase Agreement, Fannie Mae issued to Treasury 1,000,000 shares of Senior Preferred Stock with an initial liquidation preference of $1,000 per share. Under the terms of the Warrant Treasury may purchase, for a nominal price, shares of common stock equal to 79.9% of the outstanding common stock of Fannie Mae.

The Senior Preferred Stock and the Warrant were issued to Treasury as an initial commitment fee for Treasury's commitment (the "Commitment"), set forth in the Stock Purchase Agreement, to provide funds to Fannie Mae under the terms and conditions set forth therein. Fannie Mae generally may draw funds under the Commitment on a quarterly basis if Fannie Mae's total liabilities exceed its total assets on its consolidated balance sheet calculated in accordance with generally accepted accounting principles as of the end of a quarter. As of November 10, 2014, the amount of remaining funding from Treasury that is available under the Commitment is $117.6 billion.

The Senior Preferred Stock provides for the quarterly payment of dividends. Fannie Mae's dividend payments on the Senior Preferred Stock for a dividend period are based on Fannie Mae's net worth, if any, as of the end of the immediately preceding fiscal quarter. If Fannie Mae does not have a positive net worth as of the end of the immediately preceding fiscal quarter, or if Fannie Mae's net worth does not exceed a specified capital reserve at the end of the immediately preceding fiscal quarter, then no dividend will accrue or be payable for the applicable dividend period on the Senior Preferred Stock. If Fannie Mae does have a positive net worth as of the end of the immediately preceding fiscal quarter in excess of a specified capital reserve amount, such amount, if declared, is to be paid to the holder of the Senior Preferred Stock as a dividend in accordance with the terms of the Senior Preferred Stock.

The Stock Purchase Agreement and the Warrant contain covenants that significantly restrict Fannie Mae's business activities. These covenants include a prohibition on the issuance of equity securities (except in limited instances), a prohibition on the payment of dividends or other distributions on Fannie Mae's equity securities (other than the Senior Preferred Stock or the Warrant), a prohibition on Fannie Mae's issuance of subordinated debt securities, and limitations on the amount of debt securities Fannie Mae may have outstanding and the size of Fannie Mae's mortgage assets portfolio.

Fannie Mae is incorporating by reference in this Official Statement the documents listed below that Fannie Mae publishes from time to time. This means that Fannie Mae is disclosing information to you by referring you to those documents. Those documents are considered part of this Official Statement, so you should read this Official Statement, and any applicable supplements or amendments, together with those documents before making an investment decision.

The securities of Fannie Mae are not guaranteed by the United States and do not constitute a debt or obligation of the United States or any agency or instrumentality thereof other than Fannie Mae.

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

You should rely only on the information provided or incorporated by reference in this Official Statement and any applicable supplement, and you should rely only on the most current information.

Fannie Mae incorporates by reference the following documents Fannie Mae has filed, or may file with the SEC:

- Fannie Mae's Form 10-K for the fiscal year ended December 31, 2013, filed with the SEC on February 21, 2014; and

- Fannie Mae's Form 10-Q for the quarterly period ended March 31, 2014, filed with the SEC on May 8, 2014; and

- Fannie Mae's Form 10-Q for the quarterly period ended June 30, 2014, filed with the SEC on August 7, 2014; and

- Fannie Mae's Form 10-Q for the quarterly period ended September 30, 2014, filed with the SEC on November 6, 2014; and

- all other proxy statements that Fannie Mae files with the SEC, and all documents Fannie Mae files with the SEC pursuant to Section 13(a), 13(c) or 14 of the Exchange Act after the date of this Official Statement and prior to the termination of the offering of securities under the Official Statement, excluding any information "furnished" to the SEC on Form 8-K.

Fannie Mae makes no representation as to the contents of this Official Statement, the suitability of the Bonds for any investor, the feasibility of performance of any project, or compliance with any securities, tax or other laws or regulations. Fannie Mae's role with respect to the Bonds is limited to issuing and discharging its obligations under the Credit Facility and exercising the rights reserved to it in the Indenture and the Reimbursement Agreement.

PLAN OF FINANCING

The total permanent project costs of the Mortgaged Property are estimated by the Borrower to be $56,823,312, not including interim sources or uses of funds or accrued interest on the Bonds. The sources and uses of funds for the Mortgaged Property are projected to be approximately as follows:

Sources of Funds	
Bond Proceeds	$27,590,000
Low Income Housing Tax Credit Proceeds	18,329,980
Deferred Developer Fee	1,110,983
Seller Note	8,000,000
General Partner Equity	100
Net Operating Income During Development	1,792,249
Total	**$56,823,312**
Uses of Funds	
Acquisition Costs and Related Expenditures	$30,769,148
Improvements	15,633,169
Costs of Issuance	2,786,607
Fees, Reserves, Soft Costs, Etc.	5,134,388
Redemption of 12/15/16 Term Bonds[†]	2,500,000
Total	**$56,823,312**

THE BORROWER AND THE MORTGAGED PROPERTY

The following has been provided solely by the Borrower. Certain financial information with respect to the Mortgaged Property is included herein. Neither the Administration nor the Underwriters nor any of their respective officers or employees makes any representations as to the accuracy or sufficiency of such information.

[†] The Term Bonds maturing December 15, 2016 in the aggregate principal amount of $2,500,000 are expected to be redeemed from tax credit equity or other sources. See the first paragraph of "THE BONDS – Redemption Provisions – Optional Redemption."

The Borrower

The Borrower is Marlborough Revitalization 2013, LP, a Maryland limited partnership that was formed for the specific purpose of acquiring and owning the fee interest in and rehabilitating the Mortgaged Property. It is not engaged in any other business operation and has no assets other than its interest in the Mortgaged Property. Accordingly, it is expected that the Borrower will not have any sources of funds to make payments on the Mortgage, other than revenues generated by the Mortgaged Property.

The general partner of the Borrower is Marlborough Revitalization GP, Inc., a Maryland corporation (the "General Partner"). The General Partner and/or its delegates will have the responsibility for supervising the operations of the Borrower and will be responsible for overseeing the operation and management of the Mortgaged Property. The General Partner is wholly owned by Housing Preservation, Inc., a Texas nonprofit corporation.

The Mortgaged Property

The Bonds are being issued to finance a portion of the acquisition and rehabilitation costs of a 227-unit rental apartment complex known as Marlborough Apartments, consisting of one 10-story apartment building located at 1701 Eutaw Place in Baltimore City, Maryland (the "Mortgaged Property"). The rehabilitation of the Mortgaged Property is anticipated to commence in January 2015, and is expected to be completed by December 2015.

The Mortgaged Property is intended to be affordable housing for low and moderate income households. Mortgaged Property amenities are expected to include laundry facilities, surface parking, a leasing office and a community room. The level of occupancy of the Mortgaged Property as of September 30, 2014 was 99.12%. The unit mix of the Mortgaged Property is as follows:

Number Of Units	Composition	Approximate Square Footage
69	Studio	355-405
158	One Bedroom	390-680

The acquisition and rehabilitation of the Mortgaged Property will be financed from (a) the proceeds of the Bonds and (b) an equity contribution to the Borrower from (i) the sale of low income housing tax credits ("Tax Credits") and (ii) certain other funds available to the Borrower. The Mortgaged Property also receives rental subsidy for 224 of the Mortgaged Property's residential rental units from a project-based Section 8 Housing Assistance Payments contract with HUD which has an expiration date of June 30, 2033 (the "HAP Contract").

Due to the inherent uncertainty of future events and conditions, no assurance can be given that revenues generated by the Mortgaged Property will be sufficient to pay debt service on the operating expenses of the Mortgaged Property and amounts due under the Mortgage. The ability of the Borrower to generate sufficient revenues will be affected by a variety of factors including, but not limited to, the maintenance of a sufficient level of occupancy, the ability to achieve increases in rent to cover debt service and operating expenses, the funding of the HAP Contract, the level of operating expenses, Mortgaged Property management, adverse changes in applicable laws and regulations, general economic conditions and other factors in the surrounding market area for the Mortgaged Property. Adverse changes may occur from time to time with respect to any of the preceding factors or other factors or events which may have a negative impact on the occupancy level and rental income of the Mortgaged Property. A default by the Borrower under the Mortgage may result in a redemption of all or a portion of the Bonds. See "THE BONDS – Redemption Provisions — Mandatory Redemption – After an Event of Default Under the Reimbursement Agreement" herein.

Low Income Housing Tax Credits

Simultaneously with the issuance of the Bonds, the Borrower expects to sell to PNC Bank, National Association, a national banking association (the "Tax Credit Partner") a 99.97% ownership interest in the Borrower and to Columbia Housing SLP Corporation a 0.01% ownership interest in the Borrower. The funding of the Tax Credit equity is expected to total approximately $18,374,996, with an initial contribution of approximately $1,837,500 anticipated to be funded on the Closing Date. The funding levels and the timing of the funding are subject to numerous adjustments and conditions which could result in the amounts funded and/or the timing or even occurrence of the funding varying significantly from the projections set forth above and no representation is made as to the availability of such funds.

The Contractor

The general contractor for the Mortgaged Property is expected to be Hamel Builders, Inc. ("Hamel"). Hamel has 26 years of experience in renovating residential multifamily housing developments, and its principals have, collectively, more than 80 years of such experience.

Property Management

Silver Tree Residential ("STR") currently manages and will continue to manage the Mortgaged Property. STR presently manages approximately 30 affordable apartment complexes in 12 states containing more than 4,000 affordable housing units and is affiliated with the Borrower.

Income and Rent Restrictions

The Borrower is restricted by several agreements that limit the incomes of, and rents that may be charged to, its tenants. Generally, the Regulatory Agreement limits the incomes of tenants in 40% of the units to individuals or families having an annual household income which does not exceed 60% of area median gross income ("AMI"). In addition, restrictions contained in a Deed of Easement and Restrictive Covenant for Extended Low-Income Occupancy between the Borrower and the Administration to be executed on or after the Closing Date (the "Extended Use Agreement") related to the Tax Credits are expected to require the Borrower to rent up to 100% of the revenue-generating units in the Mortgaged Property to tenants whose annual household income does not exceed 60% of AMI and to charge rents which do not exceed 30% of imputed income for the size of such tenant's apartment (subject to various adjustments). As long as the HAP Contract is in effect, the Borrower will be required to rent all of the units in the Mortgaged Property covered by the HAP Contract to tenants whose annual household income does not exceed 80% of AMI and will charge rents not to exceed 30% of such income levels (but subject to the Regulatory Agreement and the Extended Use Agreement described above and in the event of any conflict the more restrictive agreement is expected to control).

The HAP Contract

Currently, the Mortgaged Property receives the benefit of the HAP Contract covering 224 of the 227 units at the Mortgaged Property.

Funding under the HAP Contract is subject to annual Congressional appropriations, as more particularly described below. The Section 8 project-based housing assistance payment program (the "Section 8 Program") is authorized by Section 8 of the United States Housing Act of 1937, as amended, and is administered by HUD. Renewals of Section 8 HAP contracts are governed by the Multifamily Housing Mortgage and Assistance Restructuring Act, as amended ("MAHRA"). The Section 8 Program authorizes housing assistance payments to owners of qualified housing for the benefit of low-income families (defined generally as families whose incomes do not exceed 80% of the AMI as determined by HUD), and very low-income families (defined generally as families whose income do not exceed 50% of the AMI as determined by HUD). Section 8 housing assistance payments generally represent the difference between the "contract rent" (as defined below) for the unit approved by HUD and the eligible tenant's contribution, which is generally 30% of such tenant's household income, as adjusted for family size and certain expenses, subject to a minimum rent contribution. The rents approved by HUD for the Mortgaged Property, as they may be adjusted from time to time with procedures set forth in MAHRA and the HAP Contract, are the "contract rents" for the Mortgaged Property. The HAP Contract requires the Borrower to maintain the Mortgaged Property in decent, safe and sanitary condition and to comply with other statutory and regulatory requirements governing the operation of the Mortgaged Property, use of project funds, and other matters. If the Borrower fails to comply with the terms of the HAP Contract, HUD or the contract administrator could seek to abate or terminate the payments under the HAP Contract, or take other sanctions. MAHRA requires that upon the request of the Borrower, HUD shall renew the HAP Contract under the Section 8 Program. However, because the HAP Contract is subject to receipt of annual appropriations by Congress, there is no assurance that the HAP Contract will be renewed or replaced upon its expiration. Funding for HAP contracts is appropriated by Congress on an annual basis, and there is no assurance that adequate funding will be appropriated each year during the term of the HAP Contract. Since payments received under the HAP Contract constitute a primary source of revenues for the Mortgaged Property, the expiration of the HAP Contract without renewal or replacement, or the failure of Congress to appropriate funds sufficient to fund the HAP Contract during each year of its terms, would have a material adverse effect on the ability of the Mortgaged Property to generate revenues sufficient to pay the principal of and interest of the Loan.

THE LOAN SERVICER

The Loan Servicer will perform mortgage servicing functions with respect to the Loan pursuant to the Reimbursement Agreement and related documents on behalf of and in accordance with Fannie Mae requirements. The servicing arrangements between Fannie Mae and the Loan Servicer for servicing the Loan are solely between Fannie Mae and the Loan Servicer and neither the Administration nor the Trustee is deemed to be a party thereto or has any claim, right, obligation, duty or liability with respect to the servicing of the Loan.

The Loan Servicer will be obligated, pursuant to its arrangements with Fannie Mae and Fannie Mae's servicing requirements, to perform diligently all services and duties customary to the servicing of mortgages, as well as those specifically prescribed by Fannie Mae. Fannie Mae will monitor the Loan Servicer's performance and has the right to remove the Loan Servicer with or without cause. The duties performed by the Loan Servicer include general loan servicing responsibilities, collection and remittance of principal and interest payments, administration of mortgage escrow accounts and collection of insurance claims.

CERTAIN BONDHOLDERS' RISKS

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

No Borrower Personal Liability

The Borrower has not been nor will it be (subject to certain limited exceptions to non-recourse liability set forth in the Financing Agreement and the Security Instrument) personally liable for payments on the Loan, nor under the other Bond Financing Documents. All payments on the Loan are expected to be derived from revenues generated by the Mortgaged Property.

Credit Facility; Primary Security

The primary security for the Bonds will be the Credit Facility delivered by Fannie Mae to the Trustee in order to pay the principal of, premium, if any, and interest on the Bonds. Based on this expectation, no financial information as to the creditworthiness of the Borrower or the value of the Mortgaged Property is included herein.

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

Special Limited Obligations

The Bonds are special, limited obligations of the Administration payable solely from the Trust Estate.

THE BONDS ARE SPECIAL OBLIGATIONS OF THE ADMINISTRATION, A UNIT OF THE DIVISION OF DEVELOPMENT FINANCE OF THE DEPARTMENT, A PRINCIPAL DEPARTMENT OF THE STATE, PAYABLE SOLELY FROM THE TRUST ESTATE PLEDGED THEREFOR UNDER THE INDENTURE. THE ADMINISTRATION HAS NO TAXING POWER. THE BONDS DO NOT CONSTITUTE A DEBT OF THE STATE, ANY POLITICAL SUBDIVISION THEREOF, THE ADMINISTRATION OR THE DEPARTMENT, OR A PLEDGE OF THE FAITH, CREDIT OR TAXING POWER OF THE STATE, ANY SUCH POLITICAL SUBDIVISION, THE ADMINISTRATION OR THE DEPARTMENT.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THE INDENTURE OR IN THE BONDS, THE ADMINISTRATION SHALL NOT BE REQUIRED TO ADVANCE ANY MONEYS DERIVED FROM ANY SOURCE OTHER THAN THE REVENUES AND OTHER ASSETS PLEDGED UNDER THE INDENTURE FOR ANY OF THE PURPOSES IN THE INDENTURE MENTIONED, WHETHER FOR THE PAYMENT OF THE PRINCIPAL OF OR REDEMPTION PRICE, IF ANY, OR INTEREST ON THE BONDS OR FOR ANY OTHER PURPOSE OF THE INDENTURE. NOTWITHSTANDING ANY PROVISIONS OF THE INDENTURE TO THE CONTRARY, NO RECOURSE UNDER OR UPON ANY OBLIGATION, COVENANT OR AGREEMENT CONTAINED IN THE INDENTURE OR IN ANY BOND SHALL BE HAD AGAINST THE ADMINISTRATION, IT BEING EXPRESSLY AGREED AND UNDERSTOOD THAT THE OBLIGATIONS OF THE ADMINISTRATION UNDER THE INDENTURE, AND UNDER THE

BONDS AND ELSEWHERE, ARE SOLELY SPECIAL, LIMITED OBLIGATIONS OF THE ADMINISTRATION AND SHALL BE ENFORCEABLE ONLY OUT OF THE ADMINISTRATION'S INTEREST IN THE INDENTURE AND THE FINANCING AGREEMENT (EXCEPT FOR THE ADMINISTRATION'S RIGHTS TO PAYMENT OF CERTAIN COSTS, FEES AND EXPENSES AS SET FORTH IN THE INDENTURE, THE FINANCING AGREEMENT AND ELSEWHERE) AND THERE SHALL BE NO OTHER RECOURSE AGAINST THE ADMINISTRATION OR ANY PROPERTY NOW OR THEREAFTER OWNED BY IT AND AFTER ENTRY OF JUDGMENT AGAINST THE ADMINISTRATION BY VIRTUE OF THE POWER CONTAINED IN THE INDENTURE, THE ADMINISTRATION MAY MARK THE JUDGMENT INDEX TO THE EFFECT THAT THE JUDGMENT IS LIMITED AS AFORESAID.

FANNIE MAE'S OBLIGATIONS WITH RESPECT TO THE BONDS ARE SOLELY AS PROVIDED IN THE CREDIT FACILITY. THE OBLIGATIONS OF FANNIE MAE UNDER THE CREDIT FACILITY WILL BE OBLIGATIONS SOLELY OF FANNIE MAE, A FEDERALLY CHARTERED CORPORATION, AND WILL NOT BE BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA. THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA OR ANY OTHER AGENCY OR INSTRUMENTALITY OF THE UNITED STATES OF AMERICA OR OF FANNIE MAE. THE BONDS ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA.

Early Redemption or Purchase

Purchasers of Bonds, including those who purchase Bonds at a price in excess of their principal amount or who hold such a Bond trading at a price in excess of par, should consider the fact that the Bonds are subject to redemption or mandatory purchase at a redemption or purchase price equal to their principal amount plus accrued interest as described herein. This could occur, for example, in the event that the Loan is prepaid as a result of casualty or condemnation award payments affecting the Mortgaged Property or there is a default under the Reimbursement Agreement. See "THE BONDS – Redemption Provisions."

No Acceleration or Redemption upon Loss of Tax Exemption

One condition to the issuance of the Bonds is that the Borrower will covenant and agree to comply with the provisions of the Code relating to the exclusion from gross income for federal income tax purposes of the interest payable on the Bonds. The financing documents contain provisions and procedures designed to assure compliance with such covenant. However, the Borrower's covenant to comply with the requirements of the Code is non-recourse to the Borrower, and the Borrower's liability is limited to the revenues and assets comprising the Mortgaged Property. Furthermore, the Borrower's failure to comply with such provisions will not constitute a default under the Loan and will not give rise to a redemption or acceleration of the Bonds (unless Fannie Mae determines, at its option and in its sole and absolute discretion, that such failure will constitute such a default) and is not the basis for an increase in the rate of interest payable on the Bonds. **Consequently, interest on the Bonds following the Delivery Date may become includable in gross income for purposes of federal income taxation retroactive to the Delivery Date by reason of the Borrower's failure to comply with the requirements of federal tax law, and neither the Administration, the Trustee nor the Bondholders will have remedies available to them, except as may otherwise be set forth in the Regulatory Agreement, to mitigate the adverse economic effects to the Bondholders of such inclusion by reason of the Borrower's non-compliance.**

Economic Feasibility

The economic feasibility of the Mortgaged Property depends in large part upon it being substantially occupied at projected rent levels. There can be no assurance that in the future the Borrower will be able to rent the units at rates which will enable it to make timely payments on the Loan.

Enforceability and Bankruptcy

The remedies available to the Trustee and the Bondholders upon an event of default under the Financing Agreement, the Credit Facility, the Regulatory Agreement or the Indenture are in many respects dependent upon regulatory and judicial actions which are often subject to discretion and delay.

Under existing laws and judicial decisions, the remedies provided under the aforesaid documents may not readily be available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds and the aforesaid documents will be qualified to the extent that the enforceability of certain legal rights related to the Bonds is subject to limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by equitable remedies and proceedings generally.

Normal Risks

Normal risks attending any investment in real estate include possible adverse use of adjoining land, fire, earthquake or other casualty, condemnation, increased taxes, changes in demand for such facilities, increases in utility rates, adverse general and local economic conditions, energy shortages, a decline in property values in the Mortgaged Property, increases in operating costs due to inflation, non-compliance of tenants with the terms of their leases, unfavorable governmental regulation (such as enactment of rent controls), force majeure and uninsurable risks, construction strikes and decrease in the relative popularity of real estate investments as contrasted with other investments. These risks and many others cannot be controlled by the Borrower and may have a substantial bearing on the profitability and financial feasibility of the Mortgaged Property, and which may affect the realizable value of the real estate and other collateral securing payment of the Bonds.

Management of the Mortgaged Property

The successful operation of the Mortgaged Property will depend, to a large extent, upon the management services provided by the manager of the Mortgaged Property and upon the ability of the Borrower to lease the units, keeping the Mortgaged Property substantially occupied through the term of the Bonds. There is no assurance that the manager will operate the Mortgaged Property on a profitable basis. There can be no assurance that the Mortgaged Property will be operated in a manner which will provide sufficient money to pay principal and interest on the Bonds and to operate and maintain the Mortgaged Property. See "THE BORROWER AND THE MORTGAGED PROPERTY" herein.

Effect of Increases in Operating Expenses

It is impossible to predict future increases in operating expenses of the Mortgaged Property. Substantial increases in operating expenses will affect future net operating income of the Mortgaged Property and the ability of the Borrower to meet its debt service obligations, primarily, its reimbursement obligations to the Credit Provider.

Additional Bonds and Subordinate Financing

The Borrower may obtain additional financing for the Mortgaged Property at a future date. Such additional financing could be in the form of additional bonds issued by the Administration. Additional bonds could be issued on a parity basis with the Bonds pursuant to a supplemental trust indenture provided that the issuance thereof is not materially adverse to the interest of the Bondholders. Such additional financing could also be in the form of a conventional loan the payment obligations with respect to which would be subordinate to the Borrower's payment obligations under the Loan. In either case, the increased repayment obligations of the Borrower could increase the likelihood of an early redemption of the Bonds. Any such redemption would be at a price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date of redemption, without premium.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Kutak Rock LLP, Bond Counsel to the Administration, 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 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 Bond for any period during which the Bond is held by a person who is a "substantial user" of the facilities financed with the proceeds of the 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 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 Administration and the Borrower in connection with the Bonds, and Bond Counsel has assumed compliance by the Administration and the Borrower 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.

In addition, in the opinion of Bond Counsel, under existing statutes, the Bonds, their transfer, the interest payable thereon, and any income derived therefrom, including any profit realized on the sale or exchange thereof, is exempt from taxation of every kind and nature whatsoever by the State of Maryland, except that no opinion is expressed with respect to any exemption from Maryland estate or inheritance taxes.

Bond Counsel expresses no opinion regarding any other Federal or state tax consequences with respect to the 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 Bonds, or under state and local tax law.

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 Bonds in order that interest on the 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 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 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 Administration has covenanted that it shall do and perform all acts necessary or desirable to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code. The Administration will deliver its Tax Certificate concurrently with the issuance of the Bonds which will contain provisions relating to compliance with the requirements of the Code. The Administration also has required or will require the Borrower to make certain covenants in the Bond Mortgage Loan 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 Administration or the owners of the Bonds can be enforced judicially in a manner to assure compliance with the Code and to prevent the loss of the exclusion from gross income of the interest on the Bonds for Federal income tax purposes.

Low Income Set Aside Requirements under the Code

The 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 paragraph. 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 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 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 Administration will make elections on the applicable low income set aside requirements with respect to the Mortgaged Property prior to the Delivery Date. In addition, all of the units in the Mortgaged Property 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 the Mortgaged Property is outstanding, or (iii) the date upon which any assistance provided with respect to the Mortgaged Property under Section 8 of the United States Housing Act of 1937, as amended, terminates. A unit generally will meet the continuing low income set aside requirement so long as the 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 Mortgaged Property must be rented to a tenant whose income does not exceed the applicable income limitation; provided however, that if tax credits under Section 42 of the Code are allowed with respect to the Mortgaged Property, the next available unit of comparable or smaller size in the same building as the tenant whose income has increased over 140% of the applicable income limitation 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 Bonds. It does not purport to address all aspects of Federal taxation that may be relevant to a particular owner of a 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 Bonds.

Prospective owners of the 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 Bonds should consult their tax advisors as to the tax consequences of purchasing or owning the Bonds. Interest on the 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 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 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 Bonds of a Series 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 of Bonds. In general, under Section 1288 of the Code, OID on a 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 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.

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 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 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 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 will apply to interest on tax exempt obligations, including the 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 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 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 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to Bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the 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 Bonds or the market value thereof would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the 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.

CONTINUING DISCLOSURE

The Administration has not made and will not make any provision to provide any annual financial statements or other credit information of the Borrower to investors on a periodic basis.

There are currently no financial or operating data available concerning the Borrower, which is a newly-formed special-purpose entity organized exclusively to acquire and rehabilitate the Mortgaged Property. The Borrower will undertake all responsibilities for any continuing disclosure to the Beneficial Owners and Holders of any of the Bonds. A failure by the Borrower to comply with the provisions of the Continuing Disclosure Agreement (as defined below) will not constitute a default under the Indenture or the Financing Agreement (however, Bondholders will have any available remedy at law or in equity to compel the Borrower to provide required disclosures). Such a failure to comply must be reported in accordance with Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "Rule") and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds.

The Borrower and the Trustee, as dissemination agent (the "Dissemination Agent"), have entered into a Continuing Disclosure Agreement, dated as of the date of the Indenture (the "Continuing Disclosure Agreement"). The Continuing Disclosure Agreement obligates the Borrower to send, or cause to be sent, certain annual financial information with respect to the Mortgaged Property to the Municipal Securities Rulemaking Board and to provide notice, or cause notice to be provided, to the Municipal Securities Rulemaking Board upon the occurrence of certain enumerated events for the benefit of the Beneficial Owners and Holders of any of the Bonds. The form of the Continuing Disclosure Agreement is attached as Appendix I hereto. The Borrower has not entered into any other such undertaking with respect to the Rule.

UNDERWRITING

The Bonds are being purchased on a negotiated basis by J.P. Morgan Securities LLC ("JPMS"), Merrill Lynch, Pierce, Fenner & Smith Incorporated, RBC Capital Markets, LLC, Loop Capital Markets LLC, M&T Securities, Inc. and Morgan Stanley & Co. LLC (collectively, the "Underwriters"). The Underwriters have jointly and severally agreed to purchase the Bonds at the prices set forth on the inside cover page of this Official Statement. The Underwriters will receive a fee of $226,316.44 relating to their purchase of the Bonds. The Underwriters are not acting as financial advisors to the Administration. The bond purchase agreement with respect to the Bonds among the Administration, the Borrower and the Underwriters (the "Bond Purchase Agreement") provides that the Underwriters will purchase all but not less than all of the Bonds. The Underwriters' obligation to make such purchase is subject to certain terms and conditions set forth in the Bond Purchase Agreement, including, without limitation, the approval of certain legal matters by counsel and certain other conditions. The initial public offering prices of the Bonds may be changed, from time to time, by the Underwriters.

The Underwriters may offer and sell any of the Bonds to certain dealers (including dealers depositing such Bonds into investment trusts) and certain dealer banks and banks acting as agents at prices lower than the public offering prices stated on the inside cover page hereof.

JPMS, one of the Underwriters of the Bonds, has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of Charles Schwab & Co., Inc. ("CS&Co.") and LPL Financial LLC

("LPL") for the retail distribution of certain securities offerings, including the Bonds, at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL will purchase Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that such firm sells.

Loop Capital Markets LLC, one of the Underwriters of the Bonds, has entered into distribution agreements (each a "Distribution Agreement") with each of Credit Suisse Securities USA LLC ("CS"), Deutsche Bank Securities Inc. ("DBS") and UBS Financial Services Inc. ("UBSFS") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Distribution Agreement, each of CS, DBS and UBSFS will purchase the Bonds from Loop Capital Markets LLC at the original issue prices less a negotiated portion of the selling concession applicable to any Bonds that such firm sells.

M&T Securities, Inc., one of the Underwriters of the Bonds, is a subsidiary of Manufacturers and Traders Trust Company, the Trustee for the Bonds.

Morgan Stanley, parent company of Morgan Stanley & Co. LLC, an underwriter of the Bonds, has entered into a retail distribution arrangement with Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, investment management, principal investment, hedging, financing and brokerage civilities. The Underwriters and their respective affiliates may have, from time to time, performed and may in the future perform, such services for the Administration or the Borrower for which they received or will receive customary fees and expenses. In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities and financial instruments which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment securities activities may involve securities and instruments of the Administration or the Borrower.

The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

FINANCIAL ADVISORS

Caine Mitter & Associates Incorporated and Strategic Solutions Center, LLC are serving as financial advisors to the Administration in connection with the sale of the Bonds.

RATING

Moody's Investors Service (the "Rating Agency") has assigned the rating to the Bonds as shown on the cover page of this Official Statement, which rating is based on the Credit Facility provided by Fannie Mae. The rating reflects only the views of the Rating Agency, and an explanation of the significance of such rating may be obtained from it. No assurance can be given that the rating will be maintained for any given period of time or that the rating may not be revised downward, suspended or withdrawn entirely by the Rating Agency if, in its judgment, circumstances so warrant. Any such downward change in, suspension or withdrawal of the rating may have an adverse effect on the market price of the Bonds. The Underwriters and the Administration have undertaken no responsibility after issuance of the Bonds to assure the maintenance of the rating or to oppose any such revision, suspension or withdrawal.

The rating is not a recommendation to buy, sell, or hold the Bonds. There is no assurance that a particular rating will be maintained for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the Rating Agency, circumstances so warrant. The Administration has not undertaken responsibility either to bring to the attention of the registered owner of the Bonds any proposed revision or withdrawal of the rating of the Bonds or to oppose any such proposed revision or withdrawal. Any such change in or withdrawal of such a rating could have an adverse effect on the market price of the Bonds if a registered Borrower attempts to sell the same.

The Administration has not assumed any responsibility either to notify the owners of any proposed change in or withdrawal of such rating subsequent to the date of the Official Statement and the Borrower has such responsibility only in connection with the reporting of events as provided in the Continuing Disclosure Agreement. Neither of them has any responsibility to contest any such revision or withdrawal.

CERTAIN LEGAL MATTERS

Certain legal matters relating to the authorization and validity of the Bonds will be subject to an approving opinion of Kutak Rock LLP, Washington, D.C., Bond Counsel to the Administration. A form of the opinion of Bond Counsel with respect to the Bonds is set forth in Appendix H hereto. Certain legal matters will be passed upon for the Administration by an Assistant Attorney General of the State of Maryland as Counsel to the Department, the Credit Provider by its legal department and by its special counsel, Arent Fox LLP, New York, New York, for the Borrower by its counsel, Peck, Shaffer & Williams, A Division of Dinsmore & Shohl LLP, Cincinnati, Ohio, and for the Underwriters by their counsel, Hawkins Delafield & Wood LLP, New York, New York. Payment of the fees of certain counsel to the transaction is contingent upon the issuance and delivery of the Bonds as described herein.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions on the legal issues explicitly addressed therein. By rendering the legal opinion, the opinion giver does not become an insurer or guarantor of an expression of professional judgment of the transaction opined upon, or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

ABSENCE OF LITIGATION

The Administration

There is no pending or, to the knowledge of the Administration, any threatened litigation against the Administration that in any way questions or affects the validity of the Bonds or any proceedings or transactions relating to their issuance.

The Borrower

On the date of issuance of the Bonds, the Borrower is delivering a certificate that there is no pending or, to the knowledge of the Borrower, any threatened litigation against the Borrower adversely affecting the power or authority of the Borrower to enter into the Bond Financing Documents or that would materially adversely affect the Borrower's obligations under the Bond Financing Documents.

ENFORCEABILITY OF REMEDIES

The remedies available to the Trustee and the owners of the Bonds upon an Event of Default under the Indenture, the Financing Agreement, the Credit Facility or any other document described herein are in many respects dependent upon regulatory and judicial actions which are often subject to discretion and delay. Under existing law and judicial decisions, the remedies provided may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified to the extent that the enforceability of certain legal rights related to the Bonds is subject to limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by equitable remedies and proceedings generally.

MISCELLANEOUS

Any statements herein involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Administration and the purchasers or owners of any of the Bonds. The Administration makes no representations as to the accuracy or completeness of the contents of this Official Statement except with respect to the information under the sections "THE ADMINISTRATION" and "ABSENCE OF LITIGATION –The Administration."

Appendices A through I are integral parts of this Official Statement and should be read in conjunction with the foregoing material.

Certain provisions of the Act, the Indenture, the Financing Agreement, the Assignment, the Credit Facility, the Regulatory Agreement, the Reimbursement Agreement, the Security Instrument, the Code and other provisions of law are summarized in this Official Statement. Such summaries do not purport to be comprehensive or definitive and reference is made to such documents and laws for a full and complete statement of their respective provisions. All quotations from, and summaries and explanations of, the Act, Indenture, the Financing Agreement, the Assignment, the Credit Facility, the Regulatory Agreement, the Reimbursement Agreement, the Security Instrument and the Code contained herein do not purport to be complete and reference is made to said documents for full and complete statements of their provisions. Copies of the Indenture and the Credit Facility may be obtained upon request directed to the Community Development Administration, 100 Community Place, Crownsville, Maryland 21032.

The information contained herein is subject to change without notice and no implication is to be derived therefrom or from the offering of the Bonds that there has been no change in such information from the date of this Official Statement.

This Official Statement is submitted in connection with the sale of the Bonds and may not be reproduced or used, in whole or in part, for any other purpose. Any statements herein involving matters of opinion or estimate, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Administration and the purchasers or owners of any of the Bonds.

[Remainder of page left blank intentionally]

This Official Statement has been approved by the Administration and the Borrower for distribution by the Underwriters to current Bondholders and potential purchasers of the Bonds.

COMMUNITY DEVELOPMENT ADMINISTRATION
MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

By: /s/ Frank B. Coakley
Frank B. Coakley, Director
Community Development Administration

[Signatures continue on next page]

[Borrower Signature Page to the Official Statement]

MARLBOROUGH REVITALIZATION 2013, LP, a Maryland limited partnership

By: Marlborough Revitalization GP, Inc., its general partner

By: /s/ Mary Carmichael____________________
Mary Carmichael
President

APPENDIX A

DEFINITIONS OF CERTAIN TERMS

In addition to the terms defined elsewhere in this Official Statement, the following are definitions of certain terms used in this Official Statement. Terms used but not otherwise defined herein will have the meanings assigned to such terms in the Indenture or the Financing Agreement.

"Account" means an account established within a Fund.

"Act" means Sections 4-101 through 4-255 of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, and all future acts supplemental thereto or amendatory thereof.

"Act of Bankruptcy" means any proceeding instituted under the Bankruptcy Code or other applicable insolvency law by or against the Administration.

"Administration" means the Community Development Administration, a unit of the Division of Development Finance of the Department of Housing and Community Development, a principal department of the State.

"Advance" means an advance made under the Credit Facility.

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

"as their interests may appear" or "as its interest may appear" means, with reference to any of the Assigned Rights, the respective interests, exclusive of the Reserved Rights of the Administration, of Fannie Mae and of the Trustee to such documents and rights as set forth in the Assignment.

"Assigned Rights" has the meaning given to that term in the Assignment.

"Assignment" means the Assignment and Intercreditor Agreement, dated as of the date of the Indenture, among the Administration, the Trustee and Fannie Mae, and acknowledged and agreed to by the Borrower, as it may be amended, supplemented or restated from time to time.

"Assignment of HAP Contract" has the meaning set forth in the Reimbursement Agreement.

"Authorized Borrower Representative" means any person who, at any time and from time to time, is designated as the Borrower's authorized representative by written certificate furnished to the Administration, the Loan Servicer, the Credit Provider and the Trustee containing the specimen signature of such person and signed on behalf of the Borrower by or on behalf of any authorized general partner of the Borrower if the Borrower is a general or limited partnership, by any authorized managing member of the Borrower if the Borrower is a limited liability company, or by any authorized officer of the Borrower if the Borrower is a corporation, which certificate may designate an alternate or alternates. The Trustee may conclusively presume that a person designated in a written certificate filed with it as an Authorized Borrower Representative is an Authorized Borrower Representative until such time as the Borrower files with it (with a copy to the Administration, the Loan Servicer and the Credit Provider) a written certificate revoking such person's authority to act in such capacity.

"Authorized Denomination" means $5,000 or any integral multiple of $5,000.

"Authorized Officer" means the Secretary or the Deputy Secretary of Housing and Community Development, the Director or the Deputy Director, Bond Finance of the Administration, any Director of any program or division of the Administration, or any other Person duly authorized by the Secretary to perform such act or discharge such duty.

"Available Moneys" means, as of any date of determination, any of (a) the proceeds of the Bonds, (b) moneys received by the Trustee pursuant to a draw on the Credit Facility, (c) any other amounts, including the proceeds of refunding bonds, for which, in each case, the Trustee has received an Opinion of Counsel to the effect that the use of such amounts to make payments on the Bonds would not violate Section 362(a) of the Bankruptcy Code (or that relief from the automatic stay provisions of such Section 362(a) would be available from the bankruptcy court) or be avoidable as preferential payments under Section 544, 547 or 550 of the Bankruptcy Code should the Administration or the Borrower become a debtor in proceedings commenced under the Bankruptcy Code, (d) the price paid by the Credit Provider for the purchase of Bonds in lieu of redemption pursuant to the Indenture and (e) Investment Income derived from the investment of moneys described in clauses (a), (b), (c) or (d).

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

"Beneficial Owner" means, for any Bond which is held by a nominee, the beneficial owner of such Bond.

"Bond" or "Bonds" means the Administration's Multifamily Development Revenue Bonds (Marlborough Apartments) Series 2014 I in the original aggregate principal amount of $27,590,000.

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

"Bond Documents" means the Assignment, the Bonds, the Bond Purchase Agreement, the Credit Facility, the Disclosure Agreement, the Financing Agreement, this Indenture, the Regulatory Agreement (and any other agreement relating to rental restrictions on the Mortgaged Property), the Tax Certificate, and all other documents, instruments and agreements executed and delivered in connection with the issuance, sale, and/or delivery of the Bonds, as each such agreement or instrument may be amended, supplemented or restated from time to time.

"Bond Purchase Agreement" means the Bond Purchase Agreement with respect to the Bonds among the Underwriter, the Administration and the Borrower.

"Bond Register" means the Bond Register maintained by the Trustee pursuant to the Indenture.

"Bond Year" means the period of twelve consecutive months ending on December 31 in any year in which Bonds are or will be Outstanding, provided that the first Bond Year shall commence on the Closing Date and end on December 31, 2014.

"Bondholder," "holder," "Owner," "owner," "Registered Owner" or "registered owner" means, with respect to any Bond, the owner of the Bond as shown on the Bond Register.

"Borrower" means Marlborough Revitalization 2013, LP, a Maryland limited partnership, or any of its permitted successors or assigns, as owner of the Mortgaged Property.

"Business Day" means any day other than (a) a Saturday or a Sunday, (b) any day on which banking institutions located in the City of New York, New York are required or authorized by law or executive order to close, (c) any day on which banking institutions located in the city or cities in which the Designated Office of the Trustee or the Loan Servicer is located are required or authorized by law or executive order to close, or (d) so long as a Credit Facility is in effect, any day on which the Credit Provider is closed.

"Certificate of Borrower" means the Certificate of Borrower dated the Closing Date, as it may be amended, supplemented or restated from time to time.

"Closing Date" with respect to the Bonds, means the date on which the Bonds are issued and delivered to or upon the order of the Underwriter.

"Code" means the Internal Revenue Code of 1986, as amended ("1986 Code"); each reference to the Code is deemed to include (i) any successor internal revenue law and (ii) the applicable regulations whether final, temporary or proposed under the Code or such successor law. Any reference to a particular provision of the Code is deemed to include any successor provision of any successor internal revenue law and applicable regulations whether final, temporary or proposed under such provision or successor provision.

"Conditional Redemption" means a redemption where the Trustee has stated in the notice of redemption that the redemption is conditioned upon deposit of funds as further described in the Indenture.

"Costs of Issuance" means:

(a) the fees, costs and expenses of (i) the Issuer, the Issuer's counsel and the Issuer's financial advisor, if any, (ii) the Underwriter (including discounts to the Underwriter or other purchasers of the Bonds, other than original issue discount, incurred in the issuance and sale of the Bonds) and the Underwriter's counsel, (iii) Bond Counsel, (iv) the Trustee and the Trustee's counsel, (v) the Loan Servicer and the Loan Servicer's counsel, if any, (vi) the Credit Provider and the Credit Provider's counsel, (vii) the Borrower's counsel and the Borrower's financial advisor, if any, and (viii) the Rating Agency;

(b) costs of printing the offering documents relating to the sale of the Bonds; and

(c) all other fees, costs and expenses directly associated with the authorization, issuance, sale and delivery of the Bonds, including printing costs, costs of reproducing documents, filing and recording fees, and any fees, costs and expenses required to be paid to the Loan Servicer in connection with the origination of the Loan.

"Costs of Issuance Deposit" means the deposit to be made by the Borrower with the Trustee on the Closing Date to pay all or a portion of the Costs of Issuance.

"Costs of Issuance Fund" means the Costs of Issuance Fund created by the Indenture.

"Costs of the Project" means the costs chargeable to the Mortgaged Property in accordance with generally accepted accounting principles, including, but not limited to, the costs of acquisition, construction, rehabilitation, reconstruction, restoration, repair, alteration, improvement and extension (in any of such events, "construction") of any building, structure, facility or other improvement; stored materials for work in progress; the cost of machinery and equipment; the cost of the "Land" (as that term is defined in the Security Instrument), rights in lands, easements, privileges, agreements, franchises, utility extensions, disposal facilities, access roads and site development necessary or useful and convenient for the Mortgaged Property; financing costs, including, but not limited to, the Costs of Issuance, engineering and inspection costs; fees paid to the developer of the Mortgaged Property; organization, administrative, insurance, legal, operating, letter of credit and other expenses of the Borrower actually incurred prior to and during construction; and all such other expenses as may be necessary or incidental to the financing, acquisition, construction or completion of the Mortgaged Property or any part of it, including, but not limited to, the amount of interest expense incurred with respect to the Loan prior to the Completion Date; insurance premiums payable by the Borrower and taxes and other governmental charges levied on the Mortgaged Property.

"Credit Facility" means the Stand-By Irrevocable Transferable Credit Enhancement Instrument, dated the Closing Date, issued by Fannie Mae to the Trustee, as such facility may be amended, supplemented or restated from time to time.

"Credit Facility Account" means the Credit Facility Account of the Revenue Fund.

"Credit Facility Documents" means the Reimbursement Agreement, the Certificate of Borrower, all Collateral Agreements (as that term is defined in the Security Instrument), and all other agreements and documents securing the Credit Provider or otherwise relating to the provision of the Credit Facility, as any such agreement may be amended, supplemented or restated from time to time.

"Credit Provider" means Fannie Mae.

"Delivery Date" means December 18, 2014 which is the date of initial issuance and delivery of the Bonds to the initial purchasers thereof against payment therefor.

"Designated Office" of the Trustee or the Loan Servicer means, respectively, the office of the Trustee or the Loan Servicer at the respective address set forth in the Indenture or at such other address as may be specified in writing by the Trustee or the Loan Servicer, as applicable, as provided in the Indenture.

"Disclosure Agreement" means the Continuing Disclosure Agreement, dated as of December 1, 2014 by the Borrower and the Trustee.

"Dissemination Agent" means initially Manufacturers and Traders Trust Company, or any dissemination agent subsequently appointed in accordance with the Continuing Disclosure Agreement.

"DTC" means The Depository Trust Company and any successor to it or any nominee of it.

"DTC Participant" has the meaning given to that term in the Indenture.

"Electronic Means" means a facsimile transmission or any other electronic means of communication approved in writing by the Credit Provider.

"Event of Default" means, as used in any Transaction Document, any event described in that document as an Event of Default. Any "Event of Default" as described in any Transaction Document is not an "Event of Default" in any other Transaction Document unless that other Transaction Document specifically so provides.

"Extraordinary Items" means, with respect to the Trustee, reasonable compensation for extraordinary services and/or reimbursement for reasonable extraordinary costs and expenses including reasonable fees and expenses of its counsel.

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

"Fees Account" means the Fees Account of the Revenue Fund.

"Financing Agreement" means the Financing Agreement, dated as of the date of the Indenture, among the Administration, the Trustee and the Borrower, as amended, supplemented or restated from time to time.

"Fixed Rate" means the rate or rates of interest borne by the Bonds as determined in accordance with the provisions of the Indenture.

"Fund" means any fund created and established by the Indenture.

"Government Obligations" means direct obligations of, and obligations on which the full and timely payment of principal and interest is unconditionally guaranteed by, the full faith and credit of the United States of America.

"HAP Contract" has the meaning set forth in the Reimbursement Agreement.

"Highest Rating Category" has the meaning, with respect to an Investment, given in this definition. If the Bonds are rated by a Rating Agency, the term "Highest Rating Category" means, with respect to an Investment, that the Investment is rated by each Rating Agency in the highest rating given by that Rating Agency for that general category of security. If at any time the Bonds are not rated (and, consequently, there is no Rating Agency), then the term "Highest Rating Category" means, with respect to an Investment, that the Investment is rated by S&P or Moody's in the highest rating given by that rating agency for that general category of security. By way of example, the Highest Rating Category for tax exempt municipal debt established by S&P is "A 1+" for debt with a term of one year or less and "AAA" for a term greater than one year, with corresponding ratings by Moody's of "MIG 1" (for fixed rate) or "VMIG 1" (for variable rate) for one year or less and "Aaa" for greater than one year. If at any time (i) the Bonds are not rated, (ii) both S&P and Moody's rate an Investment and (iii) one of those ratings is below the Highest Rating Category, then such Investment will, nevertheless, be deemed to be rated in the Highest Rating Category if the lower rating is no more than one rating category below the highest rating category of that rating agency. For example, an Investment rated "AAA" by S&P and "Aa3" by Moody's is rated in the Highest Rating Category. If, however, the lower rating is more than one full rating category below the Highest Rating Category of that rating agency, then the Investment will be deemed to be rated below the Highest Rating Category. For example, an Investment rated "AAA" by S&P and "A1" by Moody's is not rated in the Highest Rating Category.

"Indenture" means the Trust Indenture, as amended, supplemented or restated from time to time.

"Interest Account" means the Interest Account of the Revenue Fund.

"Interest Payment Date" means (i) each June 15 and December 15, commencing June 15, 2015, (ii) for Bonds subject to redemption in whole or in part on any date, the date of such redemption, (iii) each Maturity Date and (iv) for all Bonds any date determined pursuant to the Indenture.

"Interest Requirement" means for the period to and including June 15, 2015, 183 days' interest at the Fixed Rate, and thereafter, at the Fixed Rate, calculated on the basis of a year of 360 days of twelve 30-day months or such other number of days as may be required by the Rating Agency.

"Investment" means any Permitted Investment and any other investment held under the Indenture that does not constitute a Permitted Investment.

"Investment Income" means the earnings, profits and accreted value derived from the investment of moneys pursuant to the Indenture.

"Issuer" means the Administration.

"Issuer's Fee" means the Issuer's annual fee in an amount equal to .25% of the principal amount of the Loan which is included in the interest rate on the Loan payable under the Financing Agreement.

"Letter of Representations" means when all the Bonds are Book-Entry Bonds, the Letter of Representations executed by the Administration and the Trustee and delivered to the Securities Depository, as amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.

"Loan" means the loan made by the Administration to the Borrower pursuant to the Financing Agreement for the purpose of providing funds to the Borrower to finance the acquisition and rehabilitation of the Mortgaged Property.

"Loan Documents" means, collectively, the Note, the Security Instrument, the HAP Contract, the Assignment of HAP Contract in favor of Fannie Mae, and all other documents, agreements and instruments evidencing, securing or otherwise relating to the Loan, as each such document, agreement or instrument may be amended, supplemented or restated from time to time. Neither the Financing Agreement nor the Regulatory Agreement is a Loan Document and neither document is secured by the Security Instrument.

"Loan Fund" means the Loan Fund created under the Indenture.

"Loan Servicer" means the multifamily mortgage loan servicer designated from time to time by the Credit Provider, which initially shall be PNC Bank, National Association.

"Low Income Tenants" means occupants of the Mortgaged Property who have income of 60 percent or less of the area median gross income, adjusted for family size, as determined under Section 142(d) and 42(g) of the Code, as applicable to the Mortgaged Property's financing structure.

"Maturity Date" means the maturity date of the Bonds as set forth on the inside cover hereof.

"Moody's" means Moody's Investors Service, Inc., a Delaware corporation, and its successors and assigns, or if it is dissolved or no longer assigns credit ratings, then any other nationally recognized statistical rating agency, designated by the Credit Provider, which assigns credit ratings.

"Mortgaged Property" means the real property described in the Security Instrument, together with all improvements, fixtures and personal property (to the extent of the Borrower's interest therein) and located on such real property.

"Net Bond Proceeds" means the total proceeds derived from the issuance, sale and delivery of the Bonds, representing the total purchase price of the Bonds, including any premium paid as part of the purchase price of the Bonds, but excluding the accrued interest, if any, on the Bonds paid by the initial purchaser(s) of the Bonds.

"Note" means the Multifamily Note (together with all addenda thereto) dated as of December 18, 2014, executed by the Borrower in favor of the Administration, as it may be amended, supplemented or restated from time to time or any mortgage note executed in substitution therefor in accordance with the Bond Documents, as such substitute note may be amended, supplemented or restated from time to time.

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

"Outstanding" means, when used with reference to the Bonds at any date as of which the amount of Outstanding Bonds is to be determined, all Bonds which have been authenticated and delivered under the Indenture except:

(a) Bonds cancelled or delivered for cancellation at or prior to such date;

(b) Bonds deemed to be paid in accordance with the Indenture; and

(c) Bonds in lieu of which others have been authenticated under the Indenture.

In determining whether the owners of a requisite aggregate principal amount of Outstanding Bonds have concurred in any request, demand, authorization, direction, notice, consent or waiver under the provisions of the Indenture, Bonds which are owned or held by or for the account of the Borrower will be disregarded and deemed not to be Outstanding under the Indenture for the purpose of any such determination unless all Bonds are Bonds owned or held by or for the account of the Borrower. In determining whether the Trustee will be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which are registered in the name of or known by the Trustee to be held for the account of the Borrower will be disregarded.

"Permitted Investments" means to the extent authorized by law for investment of moneys of the Administration:

(a) Government Obligations.

(b) Direct obligations of, and obligations on which the full and timely payment of principal and interest is unconditionally guaranteed by, any agency or instrumentality of the United States of America (other than the Federal Home Loan Mortgage Corporation) or direct obligations of the World Bank, which obligations are rated in the Highest Rating Category.

(c) Obligations, in each case rated in the Highest Rating Category, of (i) any state or territory of the United States of America, (ii) any agency, instrumentality, authority or political subdivision of a state or territory or (iii) any public benefit or municipal corporation the principal of and interest on which are guaranteed by such state or political subdivision.

(d) Any written repurchase agreement entered into with a Qualified Financial Institution whose unsecured short-term obligations are rated in the Highest Rating Category.

(e) Commercial paper rated in the Highest Rating Category.

(f) Interest-bearing negotiable certificates of deposit, interest-bearing time deposits, interest-bearing savings accounts and bankers' acceptances, issued by a Qualified Financial Institution if either (i) the Qualified Financial Institution's unsecured short term obligations are rated in the Highest Rating Category or (ii) such deposits, accounts or acceptances are fully insured by the Federal Deposit Insurance Corporation.

(g) An agreement held by the Trustee for the investment of moneys at a guaranteed rate with (i) the Credit Provider or (ii) a Qualified Financial Institution whose unsecured long term obligations, obligations for which a current insurer financial enhancement rating is available or obligations for which an insurer financial strength rating is available, are rated in the Highest Rating Category, or whose obligations are unconditionally guaranteed or insured by a Qualified Financial Institution whose unsecured long term obligations, obligations for which a current insurer financial enhancement rating is available or obligations for which an insurer financial strength rating is available, are rated in the Highest Rating Category; provided, however, that:

(i) the agreement is an unconditional and general obligation of the provider and, if applicable, the guarantee or insurance is an unconditional and general obligation of the guarantor or insurer of the agreement, and ranks pari passu with all other unsecured, unsubordinated obligations of the provider, and, if applicable, the guarantor or insurer of the agreement;

(ii) the Trustee receives an Opinion of Counsel, which may be subject to customary qualifications, that such agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and, if applicable, an Opinion of Counsel that any guaranty or insurance policy provided by a guarantor or insurer is legal, valid, binding and enforceable upon the guarantor or insurer in accordance with its terms;

(iii) the agreement provides that the invested funds will be available for withdrawal without penalty or premium, at any time that (A) the Trustee is required to pay moneys from any Fund established under the Indenture to which the agreement is applicable, or (B) subject to paragraph (iv), any Rating Agency lowers, suspends or withdraws the rating on the Bonds on account of the rating of the Qualified Financial Institution providing, guaranteeing or insuring, as applicable, the agreement;

(iv) the agreement provides that if during its term the rating of the Qualified Financial Institution providing, guaranteeing or insuring, as applicable, the agreement, is withdrawn, suspended by any Rating Agency or falls below the Highest Rating Category, the provider must:

(A) within five days of such withdrawal, suspension or downgrade, the Provider must notify the Trustee, the Borrower and the Credit Facility Provider; and

(B) within 15 days of such withdrawal, suspension or downgrade and at the option of the Provider, either (i) collateralize the agreement (if the agreement is not already collateralized) with Permitted Investments described in paragraph (a) or (b) by depositing collateral with the Trustee or a third party custodian, such collateralization to be effected in a manner and in an amount reasonably satisfactory to the Credit Provider and which is sufficient to maintain the then current rating of the Bonds or, if the agreement is already collateralized, increase the collateral with Permitted Investments described in paragraph (a) or (b) by depositing collateral with the Trustee or a third party custodian, in an amount reasonably satisfactory to the Credit Provider and which is sufficient to maintain the then current rating of the Bonds, or (ii) transfer the agreement, guarantee or insurance, as applicable, to a replacement provider, guarantor or insurer, as applicable, then meeting the requirements of a Qualified Financial Institution and whose unsecured long-term obligations or claims paying ability are then rated in the Highest Rating Category.

(v) the agreement also provides that if during its term the rating of the Qualified Financial Institution providing, guaranteeing or insuring, as applicable, the agreement, is withdrawn, suspended by any Rating Agency or falls below the Highest Rating Category, and the Provider does not satisfy the requirements of paragraph (iv) above within the required period of time, then the Trustee may or the Credit Provider may direct the Trustee to notify the provider that it intends to withdraw the entire balance of the agreement then on deposit, together with all of the accrued and unpaid earnings thereon. The provider will, if the requirements of paragraph (iv) above have not been timely satisfied, repay the principal of and accrued but unpaid interest on the investment, with no penalty or premium unless required by law, to the Trustee within two (2) Business Days of receipt of such notice from the Trustee. Upon any such withdrawal the agreement shall terminate.

(h) Subject to the ratings requirements set forth in this definition, shares in any money market mutual fund (including those of the Trustee or any of its affiliates registered under the Investment Company Act of 1940, as amended, that have been rated AAAm-G or AAAm by S&P or Aaa by Moody's so long as the portfolio of such money market mutual fund is limited to Government Obligations and agreements to repurchase Government Obligations. If approved in writing by the Credit Provider, a money market mutual fund portfolio may also contain obligations and agreements to repurchase obligations described in paragraph (b) or (c). If the Bonds are rated by a Rating Agency, the money market mutual fund must be rated AAAm-G or AAAm by S&P, if S&P is a Rating Agency, or Aaa by Moody's, if Moody's is a Rating Agency. If at any time the Bonds are not rated (and, consequently, there is no Rating Agency), then the money market mutual fund must be rated AAAm-G or AAAm by S&P or Aaa by Moody's. If at any time (i) the Bonds are not rated, (ii) both S&P and Moody's rate a money market mutual fund and (iii) one of those ratings is below the level required by this paragraph, then such money market mutual fund will, nevertheless, be deemed to be rated in the Highest Rating Category if the lower rating is no more than one rating category below the highest rating category of that rating agency.

(i) Any other investment authorized by the laws of the State, if such investment is approved in writing by the Credit Provider.

Permitted Investments shall not include any of the following:

(1) Except for any investment described in the next sentence, any investment with a final maturity or any agreement with a term greater than one year from the date of the investment. This exception shall not apply to any obligation that provides for the optional or mandatory tender, at par, by the holder of such obligation at least once within one year of the date of purchase, Government Obligations irrevocably deposited with the Trustee for payment of Bonds pursuant to the Indenture, and Permitted Investments listed in paragraphs (g) and (i);

(2) Except for any obligation described in paragraph (a) or (b), any obligation with a purchase price greater or less than the par value of such obligation;

(3) Any asset backed security, including mortgage backed securities, real estate mortgage investment conduits, collateralized mortgage obligations, credit card receivable asset backed securities and auto loan asset backed securities;

(4) Any interest only or principal only stripped security;

(5) Any obligation bearing interest at an inverse floating rate;

(6) Any investment which may be prepaid or called at a price less than its purchase price prior to stated maturity;

(7) Any investment the interest rate on which is variable and is established other than by reference to a single index plus a fixed spread, if any, and which interest rate moves proportionately with that index;

(8) Any investment described in paragraph (d) or (g) with, or guaranteed or insured by, a Qualified Financial Institution described in clause (iv) of the definition of Qualified Financial Institution if such institution does not agree to submit to jurisdiction, venue and service of process in the United States of America in the agreement relating to the investment;

(9) Any investment to which S&P has added an "r" or "t" highlighter.

"Person" means a natural person, estate, trust, corporation, partnership, limited liability company, association, public body or any other organization or entity (whether governmental or private).

"Preference Claim" has the meaning given that term in the Indenture.

"Principal Amount" means $27,590,000, the original principal amount of the Bonds on the Closing Date.

"Mortgaged Property" means the 227-unit rental apartment complex known as Marlborough Apartments, consisting of one apartment building located at 1701 Eutaw Place in Baltimore City, Maryland.

"Qualified Financial Institution" means any of: (a) bank or trust company organized under the laws of any state of the United States of America, (b) national banking association, (c) savings bank, a savings and loan association, or an insurance company or association chartered or organized under the laws of any state of the United States of America, (d) federal branch or agency pursuant to the International Banking Act of 1978 or any successor provisions of law or a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, (e) government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York, (f) securities dealer approved in writing by the Credit Provider the liquidation of which is subject to the Securities Investors Protection Corporation or other similar corporation and (g) any other entity which is acceptable to the Credit Provider. With respect to an entity which provides an agreement held by the Trustee for the investment of moneys at a guaranteed rate as set out in paragraph (g) of the definition of the term "Permitted Investments" or an entity which guarantees or insures, as applicable, the agreement, a

"Qualified Financial Institution" may also be a corporation or limited liability company organized under the laws of any state of the United States of America.

"Rating Agency" means any nationally recognized statistical rating agency then maintaining a rating on the Bonds.

"Rebate Analyst" means a Person that is (a) qualified and experienced in the calculation of rebate payments under Section 148 of the Code and compliance with the arbitrage rebate regulations promulgated under the Code, (b) chosen by the Borrower, and (c) engaged for the purpose of determining the amount of required deposits, if any, to the Rebate Fund.

"Rebate Fund" means the Rebate Fund created under the Indenture.

"Record Date" means, with respect to any Interest Payment Date, the first day of the month in which the Interest Payment Date occurs.

"Redemption Account" means the Redemption Account of the Revenue Fund.

"Redemption Date" means any date upon which Bonds are to be redeemed pursuant to the Indenture.

"Regulatory Agreement" means the Declaration of Restrictive Covenants and Regulatory Agreement relating to the Mortgaged Property, dated as of the Closing Date, by and between the Administration and the Borrower, as it may be amended, supplemented or restated from time to time.

"Reimbursement Agreement" means the Reimbursement Agreement, dated as of the date of the Indenture, by the Credit Provider and the Borrower, as amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.

"Reserved Rights" means those certain rights of the Administration under the Financing Agreement to indemnification and to payment or reimbursement of fees and expenses of the Administration, its right to receive notices and to enforce notice and reporting requirements, its right to inspect and audit the books, records and premises of the Borrower and of the Mortgaged Property, its right to collect attorneys' fees and related expenses, its right to specifically enforce the Borrower's covenant to comply with applicable federal tax law and State law (including the Act and the rules and regulations of the Administration, if any), its rights reserved under the Regulatory Agreement, and its right to give or withhold consent to amendments, changes, modifications and alterations to the Financing Agreement relating to the Reserved Rights.

"Revenue Fund" means the Revenue Fund created by the Indenture.

"Revenues" means all (i) payments made under the Credit Facility, (ii) Investment Income (excluding Investment Income earned from moneys on deposit in the Rebate Fund, the Fees Account and the Costs of Issuance Fund, but including Investment Income earned on Net Bond Proceeds deposited into the Costs of Issuance Fund and Investment Income on such Investment Income), and (iii) payments made under the Note (including without limitation prepayments, insurance proceeds and condemnation proceeds).

"Securities Depository" means, initially, DTC and any replacement securities depository appointed under the Indenture.

“Security Instrument” means the Multifamily Deed of Trust, Assignment of Rents and Security Agreement, dated as of December 18, 2014 together with all riders and exhibits, securing the Note and the obligations of the Borrower to the Credit Provider under the Credit Facility Documents, executed by the Borrower with respect to the Mortgaged Property in favor of the Administration and Fannie Mae, as it may be amended, supplemented or restated from time to time, or any security instrument executed in substitution therefor, as such substitute security instrument may be amended, supplemented or restated from time to time.

“Sinking Fund Payment” means, as of any particular date of calculation, the amount required to be paid by the Administration on a single future date for the retirement of Outstanding Bonds which mature after such future date, but excluding any amount payable by the Administration by reason of the maturity of a Bond or by optional redemption at the election of the Administration.

“Sinking Fund Payment Date” means any of the dates on which any of the Bonds matures or is subject to redemption through the application of Sinking Fund Payments as set out in the Sinking Fund Schedule.

“Sinking Fund Schedule” means a schedule of principal amounts of Bonds to mature or be subject to redemption through the application of Sinking Fund Payments on the specified dates and/or a schedule of principal amounts of Bonds maturing as serial Bonds. The Sinking Fund Schedule for the Bonds is set forth in the Indenture.

“S&P” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., and its successors and assigns, or if it is dissolved or no longer assigns credit ratings, then any other nationally recognized statistical rating agency, designated by the Credit Provider, which assigns credit ratings.

“State” means the State of Maryland.

“Tax Certificate” means the Issuer’s Tax Certificate, dated the Delivery Date, executed by the Administration, including all exhibits thereto.

“Tax Event” has the meaning given to that term under the Indenture.

“Third Party Fees” means the fees and expenses of the Trustee and the Rebate Analyst, and amounts derived from the Credit Facility for the payment of the Issuer’s Fee.

“Transaction Documents” means the Bond Documents, the Loan Documents and the Credit Facility Documents.

“Trust Estate” means the property, interests, rights, money, securities and other amounts pledged and assigned pursuant to the Indenture and the property, rights, money, securities and other amounts pledged and assigned by the Administration to the Trustee and the Credit Provider pursuant to the Assignment.

“Trustee” means Manufacturers and Traders Trust Company, a New York banking corporation with trust powers and having a corporate trust office in Baltimore, Maryland, or its successors or assigns, or any other corporation or association resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at any time serving as successor trustee under the Indenture.

“Trustee’s Annual Fee” means the annual continuing trust administration fee of the Trustee as provided in the Financing Agreement, computed and payable annually in advance on each December 1, commencing December 1, 2015.

“UCC” means the Uniform Commercial Code of the State as in effect now or in the future, whether or not such Uniform Commercial Code is applicable to the parties or the transactions.

“Underwriter” means J.P. Morgan Securities LLC.

“Wrongful Dishonor” means an uncured failure by the Credit Provider to make an Advance to the Trustee upon proper presentation of documents which conform to the terms and conditions of the Credit Facility.

[Remainder of page intentionally left blank]

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a brief summary of certain provisions of the Indenture. This summary does not purport to be complete or definitive and is qualified in its entirety by reference to the Indenture, copies of which are on file with the Trustee.

Funds and Accounts

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

(a) the Loan Fund;

(b) the Revenue Fund and within the Revenue Fund, the Interest Account, the Principal Account, the Credit Facility Account, the Redemption Account and the Fees Account;

(c) the Costs of Issuance Fund; and

(d) the Rebate Fund.

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

The Loan Fund

Amounts on deposit in the Loan Fund shall be disbursed by the Trustee to fund the Loan at the written direction of the Issuer upon satisfaction of the conditions to delivery of the Bonds as provided in the Indenture.

Revenue Fund — Interest Account and Principal Account

Interest Account. Deposits into, and disbursements from, the Interest Account shall occur as follows:

(1) ***Deposits into the Interest Account***. The Trustee will deposit each of the following amounts into the Interest Account:

(A) moneys provided by or on behalf of the Borrower relating to an interest payment under the Note;

(B) all Investment Income on the Funds and Accounts (except that Investment Income earned on amounts on deposit in the Loan Fund, Rebate Fund, and the Costs of Issuance Fund shall be credited to and retained in those respective Funds or Accounts); and

(C) any other moneys made available for deposit into the Interest Account from any other source.

(2) ***Disbursements from the Interest Account***. The Trustee will disburse or transfer, as applicable, moneys on deposit in the Interest Account at the following times and apply such moneys in the following manner and in the following order of priority:

(A) On each Interest Payment Date, Redemption Date and any date of acceleration of the Bonds, the Trustee shall disburse to the Bondholders, an amount equal to the interest due on the Bonds on such date;

(B) If the Credit Provider or the Loan Servicer gives a written notice to the Trustee at any time to the effect that there is any unreimbursed Advance under the Credit Facility or any other amount required to be paid by the Borrower to the Credit Provider under the Loan Documents, the Bond Documents or the Credit Facility Documents remains unpaid, then the Trustee shall transfer any Investment Income earned on the Interest Account and any Investment Income transferred to the Interest Account from any other Fund or Account from and after the preceding Interest Payment Date or the Closing Date, as applicable, to the Credit Provider but not in an amount which exceeds the amount stated as unpaid by the Credit Provider or the Loan Servicer, as the case may be, in its notice to the Trustee; and

(C) Unless there is (i) a deficiency in the Principal Account, the Fees Account or the Rebate Fund or (ii) other than as described in paragraph (B) above, an Event of Default under the Reimbursement Agreement or any Bond Document or a default under any Loan Document has occurred and is continuing, on each Interest Payment Date after payment as described in (A) above is made, the Trustee shall disburse to the Borrower the Investment Income earned on, or otherwise on deposit in, the Interest Account from and after the preceding Interest Payment Date or the Closing Date, as applicable. If a deficiency exists in the Principal Account, the Fees Account or the Rebate Fund, such Investment Income shall be transferred to the Principal Account, the Fees Account and/or the Rebate Fund, in that order of priority, prior to any payment to the Borrower.

Principal Account. Deposits into, and disbursements from, the Principal Account shall occur as follows:

(1) ***Deposits into the Principal Account.*** The Trustee shall deposit each of the following amounts into the Principal Account:

(A) moneys provided by or on behalf of the Borrower relating to a principal payment under the Note; and

(B) any other moneys made available for deposit into the Principal Account from any other source.

(2) ***Disbursements from the Principal Account***. On each Sinking Fund Payment Date, Redemption Date and any date of acceleration of the Bonds, the Trustee shall disburse to the Redemption Account, an amount equal to the principal due on the Bonds on such date.

Revenue Fund — Redemption Account

Deposits Into the Redemption Account. The Trustee will deposit each of the following amounts into the Redemption Account:

(1) Available Moneys provided by or on behalf of the Borrower to fund the premium payable on Bonds in connection with a redemption of such Bonds which amounts shall be held in a segregated subaccount in the Redemption Account;

(2) moneys provided by or on behalf of the Borrower relating to a principal payment, including any prepayment under the Note;

(3) moneys transferred from the Principal Account pursuant to the Indenture; and

(4) any other amount received by the Trustee and required by the terms of the Indenture or the Financing Agreement to be deposited into the Redemption Account.

Disbursements from the Redemption Account. On each Redemption Date, date of acceleration of the Bonds and the Maturity Date, the Trustee shall disburse from the Redemption Account to the Bondholders, an amount equal to the principal due on, or principal component of the redemption price of, the Bonds on such date. In addition, on any date on which premium payable on Bonds in connection with a redemption of such Bonds is due, the Trustee shall disburse to the Bondholders, from the segregated subaccount in the Redemption Account, Available Moneys in an amount sufficient to pay such premium.

Disbursements from the Redemption Account for Sinking Fund Payments

Application of Moneys. Provided that no notice of optional redemption has been sent to Bondholders on or prior to the 30th day preceding a Sinking Fund Payment Date, at the written instruction of the Administration (acting through an Authorized Officer), at the direction of the Borrower and with the prior written consent of the Credit Provider, the Trustee shall apply any funds accumulated in the Redemption Account on or prior to the 30th day preceding such Sinking Fund Payment Date to the purchase of Bonds of the maturity for which such Sinking Fund Payment was established at prices (including any brokerage and other charges) not exceeding the redemption price for such Bonds plus accrued and unpaid interest to the date of purchase, such purchase to be made in such manner as the Trustee (after consultation with the Administration, the Borrower and the Credit Provider) determines. The Borrower shall provide a copy of such direction to the Loan Servicer concurrently with delivery to the Trustee.

Credit toward Sinking Fund Payment. Upon the purchase of any Bond pursuant to the provisions described in the preceding paragraph, all such Bonds will be cancelled by the Trustee and an amount equal to the principal amount of the Bonds so purchased will be credited toward the Sinking Fund Payment next due with respect to the Bonds of such maturity. In the event the Trustee is able to purchase Bonds at a price less than the redemption price at which such Bonds were to be redeemed, then, presuming no notice of redemption has been sent to Bondholders, after payment by the Trustee of the purchase price of such Bonds and after payment of any other amounts due on the due date of such Sinking Fund Payment, the Trustee shall pay an amount not greater than the difference between the amount of such purchase price and the amount of such redemption price to, or at the direction of, the Borrower.

Redemption. As soon as practicable after the 30th day preceding the due date of any such Sinking Fund Payment, and otherwise as provided in the Indenture, the Trustee shall give notice of redemption of Bonds in such amount as is necessary to complete the retirement of a principal amount of Bonds equal to the unsatisfied balance of such Sinking Fund Payment. The Trustee shall call such Bonds for redemption whether or not it then has moneys in the Redemption Account sufficient to pay the applicable redemption price of the Bonds to be redeemed on the Redemption Date. The Trustee shall pay the amount required for the redemption of the Bonds so called for redemption from the Funds specified in the Indenture, in the order of priority indicated, and such amount will be applied by the Trustee to such redemption.

Revenue Fund — Credit Facility Account

Deposits into the Credit Facility Account. The Trustee shall deposit into the Credit Facility Account all Advances under the Credit Facility, except for Advances on account of Issuer's Fee. That portion of any Advance on account of Issuer's Fee shall be deposited into the Fees Account. No other moneys will be deposited into the Credit Facility Account and the Credit Facility Account shall be maintained as a segregated account and moneys therein shall not be commingled with any other moneys held under the Indenture. The Credit Facility Account shall be closed at such time as the Credit Provider has no continuing liability under the Credit Facility.

Transfers from the Credit Facility Account. The Trustee shall cause amounts deposited into the Credit Facility Account to be applied on the date payment is due to the payments for which the Advance was made pursuant to the Credit Facility. In no event shall amounts in the Credit Facility Account be applied to the payment of principal of and interest and any premium on any Bonds known by the Trustee to be held by the Borrower or any Affiliate of the Borrower. Any amounts remaining in the Credit Facility Account after making the payment for which the Advance was made pursuant to the Credit Facility shall be immediately refunded to the Credit Provider.

Revenue Fund — Fees Account

Deposits into the Fees Account. The Trustee shall deposit into the Fees Account the (i) payments made by the Borrower under the Financing Agreement attributable to the Issuer's Fee, and the fees and expenses of the Trustee, the Rebate Analyst, the Dissemination Agent and the Rating Agency (collectively, "Third Party Fees"), and (ii) amounts derived from the Credit Facility for the payment of the Issuer's Fee.

Disbursements from the Fees Account. On any date on which any amounts are required to pay any Third Party Fees, such amounts shall be withdrawn by the Trustee from the Fees Account for payment to the appropriate party, provided, however, that amounts derived from the Credit Facility and deposited into the Fees Account will be used only to pay the Issuer's Fee when due. In the event the amount in the Fees Account is insufficient to pay such Third Party Fees, the Trustee shall make written demand on the Borrower for the amount of such insufficiency and, pursuant to the terms of the Financing Agreement, the Borrower shall be liable to promptly pay the amount of such insufficiency to the Trustee after the date of the Trustee's written demand. The Trustee will provide notice of the insufficiency to the Loan Servicer.

No Other Claims to Trust Estate. The Rebate Analyst shall not have any right to any moneys in any Fund or Account or otherwise in the Trust Estate other than those moneys deposited as described in the preceding paragraph into the Fees Account specifically for the Rebate Analyst. Except as otherwise stated in the Indenture, the Administration shall not have any right to any moneys in any Fund or Account or otherwise in the Trust Estate other than those moneys deposited as described in the preceding paragraph into the Fees Account specifically for the Administration. Except as otherwise stated in the Indenture, the Trustee shall not have any right to any moneys in any Fund or Account or otherwise in the Trust Estate other than those moneys deposited as described in the second preceding paragraph into the Fees Account specifically for the Trustee.

Costs of Issuance Fund

Deposits into the Costs of Issuance Fund. On or before the Closing Date the Borrower shall deliver the Costs of Issuance Deposit to the Trustee. On the Closing Date, the Trustee shall deposit or transfer, as applicable, the Costs of Issuance Deposit into the Costs of Issuance Fund.

Disbursements from the Costs of Issuance Fund. The Trustee shall disburse moneys on deposit in the Costs of Issuance Fund, pursuant to requisitions in the form attached to the Indenture, signed by an Authorized Borrower Representative, to pay Costs of Issuance. The Trustee may conclusively rely on such requisitions for purposes of making such disbursements. Moneys on deposit in the Costs of Issuance Fund shall not be part of the Trust Estate and will be used solely to pay Costs of Issuance.

Disposition of Remaining Amounts. Any moneys remaining in the Costs of Issuance Fund six months after the Closing Date and not needed to pay still unpaid Costs of Issuance will be returned to the Borrower upon written request. Upon final disbursement, the Trustee shall close the Costs of Issuance Fund.

Rebate Fund

The Trustee shall hold and apply the Rebate Fund as provided in the Tax Certificate. Within 30 days after the end of every fifth Bond Year (as defined in the Tax Certificate), and within 55 days after the date on which no Bonds are Outstanding, the Borrower or the Trustee shall cause the Rebate Analyst to deliver to the Trustee and the Administration a certificate stating whether any rebate payment is required to be made, as set forth in the Tax Certificate, and the Borrower shall deliver to the Trustee any amount so required to be paid.

Nonpresentment of Bonds

In the event any Bond is not presented for payment when the principal of such Bond becomes due, either at maturity or at the date fixed for redemption of such Bond or otherwise, if amounts sufficient to pay such Bond have been deposited with the Trustee for the benefit of the owner of the Bond and have remained unclaimed for two years after such principal has become due and payable, such amounts, to the extent amounts are owed to the Credit Provider as set forth in a written statement of the Credit Provider addressed to the Trustee, will be paid to the Credit Provider, with any excess to be paid to the Borrower. Upon such payment, all liability of the Administration and the Trustee to the holder of any Bond for the payment of such Bond will cease and be completely discharged. The obligation of the Trustee described under this paragraph to pay any such amounts to the Credit Provider or the Borrower will be subject to any provisions of law applicable to the Trustee or to such amounts providing other requirements for disposition of unclaimed property.

Disposition of Remaining Moneys

Provided that the rebate requirements referenced in the Tax Certificate are first satisfied, any amounts remaining in the Revenue Fund after payment in full of the principal of and interest and any premium on the Bonds will be applied to pay (i) first, to the Credit Provider any unpaid amounts certified by the Credit Provider to be due and owing to the Credit Provider, (ii) second, to the person or persons entitled to be paid, all other unpaid amounts required to be paid under the Indenture or the Financing Agreement, and (iii) third, to the Borrower the balance upon the expiration or sooner cancellation or termination of the term of the Financing Agreement as provided in the Financing Agreement.

Investments

Permitted Investments Generally. Moneys held as part of any Fund or Account shall be invested and reinvested in Permitted Investments. Permitted Investments shall have maturities corresponding to, or shall be available for withdrawal without penalty no later than, the dates upon which such moneys shall be needed for the purpose for which such moneys are held.

Certain Limitations on Permitted Investments. Moneys on deposit in the:

(1) Interest Account and Principal Account shall be invested only in investments described in paragraphs (a), (b), (c) and (h) of the definition of Permitted Investments;

(2) Redemption Account shall be invested only in investments described in paragraph (a) of the definition of Permitted Investments, with a term not exceeding the earlier of 30 days from the date of investment of such moneys or the date or dates that such moneys are anticipated to be required for redemption;

(3) Credit Facility Account shall be held uninvested; and

(4) Costs of Issuance Fund, until disbursed or returned to the Borrower pursuant to the Indenture, shall be invested only in investments described in paragraph (h) of the definition of Permitted Investments.

Selection of Permitted Investments. Subject to the provisions described immediately above, the Borrower may select all Permitted Investments by written direction to the Trustee; but if the Borrower fails to provide direction to the Trustee, the Trustee shall invest such moneys in investments described in paragraph (h) of the definition of Permitted Investments or, in the case of the Redemption Account, in investments described in paragraph (a) of the definition of Permitted Investments, or, in the case of the Credit Facility Account, shall hold the moneys uninvested.

Investment Income. Investment Income from moneys held in the Loan Fund, the Rebate Fund and the Costs of Issuance Fund shall remain in the respective Fund where earned. All other Investment Income from moneys held in all other Funds and Accounts, upon receipt, shall be deposited into the Interest Account.

Trustee's Authority and Responsibilities. All Permitted Investments shall be made by the Trustee in its name, as Trustee, and shall be held by or under the control of the Trustee. The Trustee shall take such actions as shall be necessary to assure that Permitted Investments purchased by it under the Indenture are held pursuant to the terms of the Indenture and are subject to the trusts and security interests created in the Indenture. The Trustee is authorized to sell and reduce to cash a sufficient amount of Permitted Investments whenever the cash balance is or will be insufficient to make a requested or required disbursement. The Trustee shall not be accountable for any depreciation in the value of any Permitted Investment or for any loss resulting from such sale. The Trustee may trade with itself and its Affiliates in the purchase and sale of securities for investments, and may transact purchases and sales through its investment department or through its Affiliates. The Trustee and its Affiliates may act as principal, agent, sponsor, advisor or depository with respect to any investments. In computing the amount in any Fund or Account, Permitted Investments if purchased at par shall be valued at principal cost plus accrued interest, or, if purchased at other than par, at principal cost plus amortized discount or less amortized premium (amortization to be on a straight-line basis to the date of stated maturity without regard to redemptions or repayments of principal which may occur prior to maturity) plus accrued interest. The Administration (and the Borrower by its execution of the Financing Agreement) each acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Administration or the Borrower the right to receive brokerage confirmations of security transactions as they occur, the Administration and the Borrower specifically waive receipt of such confirmations to the extent permitted by law.

Limitations on Liability

Notwithstanding any other provision of the Indenture to the contrary:

(a) the obligations of the Administration with respect to the Bonds are not general obligations of the Administration but are special, limited obligations of the Administration payable by the Administration solely from the Trust Estate and from moneys available to be drawn by the Trustee under the Credit Facility;

(b) nothing contained in the Bonds or in the Indenture shall be considered as assigning or pledging any funds or assets of the Administration other than the Trust Estate;

(c) the Bonds are not and will not be a debt of the State, the Administration, or of any other political subdivision of the State, and neither the State, the Administration nor any other political subdivision of the State is or will be liable for the payment of the Bonds;

(d) neither the faith and credit of the Administration, the State nor of any other political subdivision of the State are pledged to the payment of the principal of and interest and any premium on the Bonds;

(e) no failure of the Administration to comply with any term, condition, covenant or agreement in the Indenture or in any document executed by the Administration in connection with the Mortgaged Property, or the issuance, sale and delivery of the Bonds will subject the Administration to liability for any claim for damages, costs or other charge except to the extent that the same can be paid or recovered from the Trust Estate; and

(f) the Administration will not be required to advance any moneys derived from any source other than the Trust Estate for any of the purposes of the Indenture, any of the other Bond Documents or any of the Loan Documents, whether for the payment of the principal or redemption price of, or interest on, the Bonds, the payment of Third Party Fees or administrative expenses or otherwise.

Credit Facility; Alternate Credit Facility

Acceptance of the Credit Facility. The Trustee will hold the Credit Facility and will enforce in its name all rights of the Trustee and all obligations of the Credit Provider under the Credit Facility for the benefit of the Bondholders. The Trustee will not assign or transfer the Credit Facility except to a successor Trustee under the Indenture. The Administration and the Trustee acknowledge that the obligations of Fannie Mae as the Credit Provider under the initial Credit Facility are not backed by the full faith and credit of the United States of America, but by the credit of Fannie Mae, a federally chartered corporation.

Requests for Advances under Credit Facility. The Trustee shall request Advances under the Credit Facility in accordance with its terms and cause the proceeds of each Advance to be applied so that full and timely payments are made on each date on which payment of principal, interest or purchase price is due on any Bond or any payment of the Issuer's Fee is due and not paid by the Borrower pursuant to the Financing Agreement, or in connection with any Bankruptcy-Related Advance (as defined in the Credit Facility). The Trustee shall, in accordance with this Indenture and the Credit Facility, first apply any amounts then on deposit in the Funds and Accounts (other than the Costs of Issuance Fund and the Rebate Fund) for such purposes. The Trustee shall determine whether it has sufficient available money in the Funds and Accounts to make such payment in full at the close of business on the Business Day prior to the day on which it must request an Advance under the Credit Facility in order to have money available to it under the Credit Facility on the day such money is needed as required by this Indenture. The Trustee shall not request, and shall not apply the proceeds of, any Advance to pay (i) principal of, interest on or the purchase price of any Bond known by the Trustee to be held by the Borrower or any Affiliate of the Borrower, (ii) premium that may be payable upon the redemption of any of the Bonds or (iii) interest that may accrue on any of the Bonds on or after the maturity of such Bond. Prior to requesting an Advance to pay principal of or interest on the Bonds on an Interest Payment Date, the Trustee shall determine the amount necessary to make such payment of principal or interest.

Limitations on Rights of Credit Provider. Notwithstanding anything contained in the Indenture to the contrary, all provisions in the Indenture regarding consents, approvals, directions, waivers, appointments, requests or other actions by the Credit Provider shall be deemed not to require or permit such consents, approvals, directions, waivers, appointments, requests or other actions and shall be read as if the Credit Provider were not mentioned in such provisions (i) if a Wrongful Dishonor has occurred and is continuing, or (ii) after the Credit Facility ceases to be valid and binding on the Credit Provider for any reason, or is declared to be null and void by final judgment of a court of competent jurisdiction; provided, however, that the Credit Provider's right to notices and the payment of amounts due to the Credit Provider shall continue in full force and effect. The foregoing shall not affect any other rights of the Credit Provider.

Credit Provider to Control Insolvency Proceedings. Each Bondholder, by its purchase of Bonds, the Trustee and the Administration agree that the Credit Provider may at any time during the continuation of an insolvency proceeding of the Administration or the Borrower ("Insolvency Proceeding") direct all matters relating to the Bonds in any such Insolvency Proceeding, including, without limitation, (i) all matters relating to any Preference Claim, (ii) the direction of any appeal of any order relating to any Preference Claim and (iii) the posting of any surety, supersedeas or performance bond pending any such appeal. In addition, and without limitation of the foregoing, the Credit Provider shall be subrogated to the rights of the Administration, the Trustee and the Bondholders in any Insolvency Proceeding to the extent it has performed its payment obligations under the Credit Facility, including any rights of any party to an adversary proceeding action with respect to any court order issued in connection with any such Insolvency Proceeding and rights pertaining to the filing of a proof of claim, voting on a reorganization plan and rights to payment thereunder.

Limitation on Bankruptcy-Related Advances

If the principal of and interest on the Bonds have been paid as of any Interest Payment Date and there is a subsequent Preference Claim relating to such payment, the amount of the Bankruptcy-Related Advance (as defined in the Credit Facility) shall be limited to the amount of the Preference Claim and shall not include interest after said Interest Payment Date. If the principal of and interest on the Bonds is prevented from being paid to Bondholders as the result of the imposition of the automatic stay pursuant to the Bankruptcy Code, the amount of the Bankruptcy-Related Advance shall be limited to the amount of principal and interest otherwise payable on the applicable Interest Payment Date and shall not include interest after said Interest Payment Date.

Defeasance

Any Bond will be deemed paid within the meaning of the Indenture if each of the conditions described below is satisfied. The conditions are:

(1) The Administration or the Borrower deposits with the Trustee (A) Available Moneys or (B) Government Obligations which are not subject to early redemption and which are

purchased with Available Moneys, of such maturities and interest payment dates and bearing such interest as will be sufficient, without further investment or reinvestment of either the principal amount of such Government Obligations or the interest earnings on Government Obligations (the earnings to be held in trust also), together with any Available Moneys, for the payment on their respective maturity dates, or redemption dates prior to maturity, of the principal of such Bonds and redemption premium, if any, and interest to accrue on such Bonds to such maturity or redemption dates.

(2) The Trustee receives, at the expense of the Borrower, and may rely upon: (A) a verification report of an independent certified public accountant or other firm nationally recognized in the certification of cash flow analyses confirming the satisfaction of condition (1) above; and (B) an Opinion of Bond Counsel to the effect that such deposit with the Trustee and consequent defeasance of the Bonds does not adversely affect the excludability from gross income for federal income tax purposes of the interest payable on the Bonds.

(3) All Third Party Fees due or to become due have been paid or sufficient additional moneys to make the required payments have been irrevocably deposited with the Trustee.

(4) For any such Bonds to be redeemed on any date prior to their maturity, the Trustee has received in form satisfactory to it irrevocable instructions to redeem such Bonds on a date on which the Bonds are subject to redemption, and either evidence satisfactory to the Trustee that all redemption notices required by the Indenture have been given or irrevocable power authorizing the Trustee to give such redemption notices.

At such times as a Bond is deemed to be paid under the Indenture, it will no longer be secured by or entitled to the benefits of the Indenture, except for the purposes of payment in accordance with the Indenture.

All income from all Government Obligations in the hands of the Trustee which is identified by an independent certified public accountant or other firm nationally recognized in the certification of cash flow analyses as not required for the payment of the Bonds and interest on such income with respect to which such moneys have been so deposited will be deposited with the Trustee as and when realized and collected for use and application as are other moneys deposited with the Trustee.

Notwithstanding any other provision of the Indenture to the contrary, all moneys or Government Obligations set aside and held in trust pursuant to the provisions of the Indenture for the payment of Bonds (including accrued interest on such Bonds) shall be applied to and used solely for the payment of the particular Bonds (including interest on such Bonds) with respect to which such moneys or Government Obligations have been so set aside in trust.

Defaults and Remedies

Events of Default. Each of the following constitutes an Event of Default under the Indenture:

(1) default in the payment when due and payable of any interest due on any Bond;

(2) default in the payment when due and payable of the principal of or any redemption premium on any Bond at maturity or upon any redemption;

(3) written notice to the Trustee from the Credit Provider of a default by the Administration in the observance or performance of any covenant, agreement, warranty or

representation on the part of the Administration included in the Indenture or in the Bonds (other than an Event of Default described in subsection (1) or (2) above) and the continuance of such default for a period of 30 days after the Trustee and the Administration receive such notice;

(4) written notice to the Trustee from the Credit Provider of an Event of Default under the Reimbursement Agreement;

(5) written notice to the Trustee from the Credit Provider of an Act of Bankruptcy; or

(6) a Wrongful Dishonor.

Non-Default and Prohibition of Mandatory Redemption upon Tax Event. The occurrence of any event ("Tax Event") which results in the interest payable on the Bonds being includable, for federal income tax purposes, in the gross income of the Bondholders, including any violation of any provision of the Regulatory Agreement or any of the other Bond Documents, shall not (i) directly or indirectly constitute an Event of Default under the Indenture or permit any party (other than the Credit Provider) to accelerate, or require acceleration of, the Loan or the Bonds, unless the Credit Provider provides written notice to the Trustee that such Tax Event constitutes an Event of Default under the Reimbursement Agreement, or (ii) give rise to a mandatory redemption of the Bonds, or (iii) give rise to the payment to the Bondholders of any amount, denoted as "supplemental interest," "additional interest," "penalty interest," "liquidated damages," "damages" or otherwise, in addition to the amounts payable to the owners of the Bonds prior to the occurrence of the Tax Event. Nothing described under this heading will be deemed to amend or supplement the terms of the Loan Documents. Promptly upon obtaining knowledge that a Tax Event has occurred, the Administration or the Trustee, by notice in writing to the Credit Provider, the Loan Servicer, the Tax Credit Investor, all Registered Owners of the Bonds and the Remarketing Agent, shall state that a Tax Event has occurred and whether the Tax Event is cured, curable within a reasonable period or incurable. Notwithstanding the availability of the remedy of specific performance to cure a Tax Event that is curable within a reasonable period, neither the Administration nor the Trustee shall have, upon the occurrence of a Tax Event, any right or obligation to cause or direct acceleration of the Bonds or the Loan, to enforce the Note or to foreclose the Security Instrument, to accept a deed to the Mortgaged Property in lieu of foreclosure, or to effect any other comparable conversion of the Mortgaged Property.

Cure By Tax Credit Investor. The Tax Credit Investor shall be entitled to cure any Event of Default hereunder within the time frame provided in the Indenture. The Issuer and the Trustee agree that cure of any Event of Default made or tendered by the Tax Credit Investor shall be deemed to be a cure by the defaulting party and shall be accepted or rejected on the same basis as if made or tendered by the defaulting party.

Acceleration, Redemption and Purchase in Lieu of Redemption

Acceleration. Upon:

(a) the occurrence and during the continuance of a Wrongful Dishonor, the Trustee may, and, upon the written request of Bondholders owning not less than 51% in aggregate principal amount of Bonds then Outstanding, must, by written notice to the Administration, the Borrower, the Credit Provider, the Tax Credit Investor and the Loan Servicer, declare the principal of all Bonds and the interest accrued, and to accrue, on the Bonds to the date of payment immediately due and payable; or

(b) the occurrence of any other Event of Default under the Indenture, the Trustee may, upon receiving the prior written consent of the Credit Provider, and must, upon the written direction of the Credit Provider, by written notice to the Administration, the Borrower, the Credit Provider, the Tax Credit Investor and the Loan Servicer, declare the principal of all Bonds and the interest accrued, and to accrue, on the Bonds to the date of declaration immediately due and payable.

Redemption and Purchase in Lieu of Redemption. Upon the occurrence of an Event of Default described under paragraph (4) under the heading "Events of Default" above (i) if the Credit Provider so directs pursuant to the Indenture, the Bonds shall be redeemed in whole or in part in the amount specified by and at the direction of the Credit Provider, (ii) if the Credit Provider so directs pursuant to the Indenture, the Bonds shall be subject to purchase in lieu of redemption. Notwithstanding anything to the contrary in the Indenture, if the Credit Provider directs that the Bonds be redeemed in part pursuant to the Indenture, the Credit Provider may further direct on one or more other occasions as described under this subsection that the Bonds be redeemed in whole or in part or that the Bonds be purchased in lieu of redemption.

Notice.

(1) *Acceleration.* Upon any decision to accelerate payment of the Bonds, the Trustee will notify the Bondholders of the declaration of acceleration, that, in the event of acceleration pursuant to the Indenture, interest on the Bonds will cease to accrue upon such declaration, and payment of the Bonds will be made upon presentment of the Bonds at the Designated Office of the Trustee. Such notice shall be sent by registered mail or overnight delivery service, postage prepaid, or, at the Trustee's option, may be given by Electronic Means to each Registered Owner of Bonds at such Registered Owner's last address appearing in the Bond Register. Any defect in or failure to give notice of such declaration will not affect the validity of such declaration.

(2) *Redemption.* Upon the direction of the Credit Provider to redeem the Bonds in whole or in part pursuant the Indenture, immediate notice of redemption will be given.

Draw on Credit Facility. Immediately upon acceleration, mandatory redemption or purchase in lieu of redemption, the Trustee shall request an Advance under the Credit Facility in accordance with its terms.

Other Remedies. Upon the occurrence and continuance of an Event of Default, the Trustee may, with or without taking action to accelerate the Bonds, but only with the prior written consent of the Credit Provider, and must at the direction of the Credit Provider if the Event of Default occurs under paragraph (3), (4) or (5) under "Events of Default" above, pursue any of the following remedies:

(a) an action in mandamus or other suit, action or proceeding at law or in equity (i) to enforce the payment of the principal of and interest and any premium on the Bonds then Outstanding, (ii) for the specific performance of any covenant or agreement contained in the Indenture, the Financing Agreement or the Regulatory Agreement or (iii) to require the Administration to carry out any other covenant or agreement with Bondholders and to perform its duties under the Act;

(b) the liquidation of the Trust Estate; or

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

Subject to the provisions of the Indenture and the requirement, if any, that the Credit Provider consent in writing to the exercise by the Trustee of any remedy, upon the occurrence and continuance of an Event of Default under the Indenture, the Trustee shall exercise such of the rights and powers conferred by the Indenture as the Trustee, being advised by counsel, deems most effective to enforce and protect the interests of the Bondholders and, unless a Wrongful Dishonor has occurred and is continuing, the Credit Provider.

Preservation of Security and Remedies if Payment Under Credit Facility is Not Made or is Insufficient; Rights of Bondholders

Upon the occurrence and during the continuance of a Wrongful Dishonor, the Trustee may proceed, and upon the written request of the holders of not less than 25 percent of the aggregate principal amount of the Bonds Outstanding and the receipt of indemnity reasonably satisfactory to the Trustee shall proceed, to protect and enforce its rights and the rights of the Bondholders under the Indenture by such suits, actions or special proceedings in equity or at law, whether for the specific performance of any covenant or agreement, or in aid of the execution of any power granted in the Indenture or by the Act, or for the enforcement of any legal or equitable right or remedy, as the Trustee, being advised by counsel, deems most effective to protect and enforce such rights or to perform any of its duties under the Indenture.

Remedies Not Exclusive; Delay or Omission

No right or remedy conferred upon or reserved to the Trustee (or to the Bondholders) by the Indenture is intended to be exclusive of any other right or remedy, but each and every such right and remedy will be cumulative and shall be in addition to any other right or remedy given to the Trustee or to the Bondholders under the Indenture or under the Financing Agreement, the Regulatory Agreement or the Credit Facility or now or later existing at law or in equity. No delay or omission to exercise any right or remedy provided in the Indenture will impair any such right or remedy or be construed to be a waiver of any Event of Default or acquiescence in it. Every such right and remedy may be exercised from time to time as often as may be deemed expedient.

Waiver

Subject to the conditions precedent set out below, (i) the Trustee may waive, (ii) the Trustee shall waive if directed to do so by the Credit Provider in writing, and (iii) Bondholders owning not less than 51% in aggregate principal amount of Bonds then Outstanding may waive, by written notice to the Trustee, any Event of Default under the Indenture and its consequences and rescind any declaration of acceleration of maturity of principal. The conditions precedent to any waiver are:

(a) unless waiver is directed by the Credit Provider, the Credit Provider consents to such waiver in writing;

(b) the principal and interest on the Bonds in arrears, together with interest thereon (to the extent permitted by law) at the applicable rate or rates of interest borne by the Bonds has been paid or provided for by the Borrower in Available Moneys or by the Credit Provider and all fees and expenses of the Trustee have been paid or provided for by the Borrower or the Credit Provider; and

(c) after the waiver, the Credit Facility remains in effect in an amount equal to the aggregate principal amount of the Bonds Outstanding plus the Interest Requirement; provided, however, that such waiver will be permitted without the Credit Facility remaining in effect if (i) the Administration consents to the waiver, (ii) the Rating Agency then rating the Bonds is notified and the Trustee gives written notice to the Bondholders that the ratings on the Bonds may be reduced or withdrawn upon the occurrence of such waiver, and (iii) 100% of the Bondholders consent to the waiver.

Upon any such waiver, the default or Event of Default shall be deemed cured and shall cease to exist for all purposes and the Administration, the Borrower, the Trustee and the Bondholders will be restored to their former positions and rights under the Indenture. No waiver of any default or Event of Default shall extend to or affect any subsequent default or Event of Default or shall impair any right or remedy consequent thereto.

Rights of the Credit Provider and the Bondholders to Direct Proceedings; Rights and Limitations Applicable to Bondholders, Issuer and Trustee

Rights to Direct Proceedings. Notwithstanding anything contained in the Indenture to the contrary, the Credit Provider itself or Bondholders owning not less than 51% in aggregate principal amount of Bonds then Outstanding, but only with the prior written consent of the Credit Provider, shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture or any other proceedings under the Indenture; provided, however, that such direction will not be otherwise than in accordance with the provisions of law and of the Indenture, and provided that the Administration and the Trustee will be indemnified to their reasonable satisfaction (except as otherwise provided in the Indenture); and provided further, that the Credit Provider's power to direct the method and place of conducting all proceedings as set forth in the Indenture shall be limited to the occurrence of an Event of Default hereunder or some other failure of the Issuer or the Trustee to take any actions required under the Indenture.

Limitations on Bondholders' Rights. No Bondholder has or shall have the right to enforce the provisions of the Indenture or the Financing Agreement, or to institute any proceeding in equity or at law for the enforcement of the Indenture or the Financing Agreement, or to take any action with respect to an Event of Default under the Indenture or an Event of Default under the Financing Agreement, or to institute, appear in or defend any suit or other proceeding with respect to the Indenture or the Financing Agreement upon an Event of Default unless (a) such Event of Default is a Wrongful Dishonor, (b) such Bondholder has given the Trustee, the Administration, the Credit Provider, the Loan Servicer and the Borrower written notice of the Event of Default, (c) the holders of not less than 51% in aggregate principal amount of Bonds then Outstanding have requested the Trustee in writing to institute such proceeding, (d) the Trustee has been afforded a reasonable opportunity to exercise its powers or to institute such proceeding, (e) the Trustee has been offered reasonable indemnity, where required, and (f) the Trustee has thereafter failed or refused to exercise such powers or to institute such proceeding within a reasonable period of time. No Bondholder has or shall have any right in any manner whatever to affect, disturb or prejudice the pledge of revenues or of any other moneys, Funds, Accounts or securities under the Indenture. Except as provided in this paragraph, no Bondholder has or shall have the right, directly or indirectly, individually or as a group, to seek to enforce, collect amounts available under, or otherwise realize on, the Credit Facility.

Application of Moneys

Amounts derived from payments under the Credit Facility shall be deposited into the Credit Facility Account and applied solely to pay the principal of and interest on the Bonds. All other moneys received by the Trustee pursuant to any action taken under the Indenture will be deposited into the Interest Account and the Redemption Account, as applicable, after payment of the ordinary fees, costs and expenses of the Trustee. The balance of such moneys, less such amounts as the Trustee determines may be needed for possible use in paying future fees and expenses and for the preservation and management of the Mortgaged Property (as identified by the Credit Provider), shall be applied as described in the following subsections.

Principal on Bonds Not Declared Due and Payable. Unless the principal on all Bonds has become or been declared due and payable, all such moneys will be applied:

FIRST, to the payment of all interest then due on the Bonds, in the order of the maturity of such interest and, if the amount available shall not be sufficient to pay in full said amount, then to the payment ratably, of the amounts due, without any discrimination or privilege;

SECOND, to the payment of the unpaid principal of any of the Bonds which have become due (other than Bonds matured or called for redemption for the payment of which moneys are held pursuant to the Indenture), in the order of due dates, with interest upon the principal amount of the Bonds from the respective dates upon which they become due at the rate or rates borne by the Bonds, to the extent permitted by law, and, if the amount available shall not be sufficient to pay in full the principal of such Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled to such payment without any discrimination or privilege; and

THIRD, to the payment of amounts owed to the Credit Provider under the Credit Facility Documents and the Loan Documents, and then to any amounts due to the Trustee for Extraordinary Items, for this purpose including the costs and expenses of any proceedings resulting in the collection of such moneys and of advances incurred or made by the Trustee.

Principal on Bonds Declared Due and Payable. If the principal of all the Bonds has become or been declared due and payable, all such moneys shall be applied *first*, to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably according to the amounts due respectively for principal and interest to the persons entitled to payment, until all such principal and interest has been paid; *second*, to pay the Credit Provider amounts owed to it under the Credit Facility Documents and the Loan Documents; and *third*, to any other amounts due and payable under the Indenture.

Trustee

Resignation of Trustee. The Trustee may resign only upon giving 60 days' prior written notice to the Administration, the Credit Provider, the Loan Servicer, the Borrower, the Tax Credit Investor and to each Registered Owner of Bonds then Outstanding as shown on the Bond Register.

Removal of Trustee. The Trustee may be removed at any time, upon 30 days' prior written notice to the Trustee, with a copy thereof provided to the Tax Credit Investor, (a) by the Administration with the prior written consent of the Credit Provider, (b) by the owners of not less than 51% in aggregate principal amount of Bonds then Outstanding, which written instrument shall designate a successor

Trustee approved by the Credit Provider or (c) by the Credit Provider with the prior written consent of the Administration. Such removal shall not be effective until a successor Trustee satisfying the requirements of the Indenture is appointed and has accepted its appointment.

Appointment of Successor Trustee. Upon the resignation or removal of the Trustee, a successor Trustee, satisfying the requirements of the Indenture, shall be appointed by the Administration with the prior written consent of the Credit Provider (unless appointed by the Bondholders as provided in the Indenture). If, in the case of resignation or removal of the Trustee, no successor is appointed within 30 days after the notice of resignation or within 30 days after removal, as the case may be, then, in the case of a resignation, the resigning Trustee shall appoint a successor with the prior written consent of the Administration and the Credit Provider or apply to a court of competent jurisdiction for the appointment of a successor Trustee and, in the case of a removal, the Credit Provider shall have the right to appoint a successor Trustee or to apply to a court of competent jurisdiction for the appointment of a successor Trustee. The successor Trustee must accept in writing its duties and responsibilities under the Indenture, the Financing Agreement, the Assignment and the Regulatory Agreement. The successor Trustee shall give notice of such succession by first-class mail, postage prepaid, to each Bondholder, the Administration, the Credit Provider, the Loan Servicer, the Tax Credit Investor and the Borrower.

Qualifications of Trustee. The Trustee and any successor Trustee will at all times be a bank or trust company organized under the laws of the United States of America or any state, authorized under such laws to exercise corporate trust powers, having a combined capital stock, surplus and undivided profits of at least $50,000,000 (or an affiliate of a corporation or banking association meeting that requirement which guarantees the obligations and liabilities of the Trustee) and subject to supervision or examination by federal or state banking authority.

Supplemental Indentures; Amendments

Supplemental Indentures Not Requiring Bondholder Consent. The Administration and the Trustee, without the consent of or notice to any Bondholder, may enter into an indenture or indentures supplemental to the Indenture for one or more of the purposes set forth below:

(a) to cure any ambiguity or to correct or supplement any provision contained in the Indenture or in any supplemental indenture which may be defective or inconsistent with any other provision contained in the indenture or in any supplemental Indenture;

(b) to amend, modify or supplement the Indenture in any respect if such amendment, modification or supplement is not materially adverse to the interests of the Bondholders;

(c) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondholders or the Trustee, or to grant or pledge to the Trustee for the benefit of the Bondholders any additional security other than that granted or pledged under the Indenture;

(d) to modify, amend or supplement the Indenture in such manner as to permit qualification under the Trust Indenture Act of 1939, as amended, or any similar federal statute then in effect, or to permit the qualification of the Bonds for sale under the securities laws of any of the States of the United States;

(e) to appoint a successor trustee, separate trustee or co-trustee, or a separate Bond Registrar;

(f) to make any change requested by the Credit Provider which is not materially adverse to the interests of the Bondholders, including, but not limited to, provision of a Credit Facility other than or in substitution for the initial Credit Facility, provided that the provision of such other Credit Facility does not adversely affect the rating then in effect for the Bonds;

(g) to make any changes in the Indenture or in the terms of the Bonds necessary or desirable in order to maintain the then existing rating awarded to the Bonds by the Rating Agency or otherwise to comply with requirements of any Rating Agency then rating the Bonds;

(h) to comply with the Code and the regulations and rulings issued with respect to the Code, to the extent determined as necessary in the Opinion of Bond Counsel; or

(i) to subject to the lien and pledge of this Indenture additional revenues, properties or collateral;

(j) to make such additions, deletions or modifications as may be, in the opinion of Bond Counsel delivered to the Issuer, the Trustee and the Credit Provider, necessary to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds;

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

(l) to modify, amend or supplement the Indenture in any other respect, which is not materially adverse to the Holders of the Bonds to be Outstanding after the effective date of the change and which does not involve a change described in the Indenture as requiring consent of Bondholders.

If the Trustee has received written confirmation from the Rating Agency to the effect that such supplemental indenture will not result in the suspension, withdrawal or reduction of the then current rating on the Bonds and all conditions precedent in the Indenture have been satisfied, the Trustee shall join the Administration in the execution of any such supplemental indenture.

Supplemental Indentures Requiring Bondholder Consent. Exclusive of supplemental indentures described in the preceding paragraph and subject to the terms and provisions contained in this paragraph, the Administration and the Trustee may, with the consent of Bondholders owning not less than 51% in aggregate principal amount of Bonds then Outstanding, from time to time, execute indentures supplemental to the indenture for the purpose of modifying or amending any of the provisions contained in the Indenture; provided, however, that nothing in this paragraph permits, or will be construed as permitting:

(a) an extension of the maturity of the principal of or interest on, or the mandatory redemption date of, any Bond, without the consent of the owner of such Bond;

(b) a reduction in the principal amount of, or the rate of interest on, any Bond, without the consent of the Owner of such Bond;

(c) a preference or priority of any Bond or Bonds over any other Bond or Bonds, without the consent of the Owners of all such Bonds;

(d) the creation of a lien prior to or on parity with the lien of the Indenture, without the consent of the Owners of all of the Bonds then Outstanding;

(e) a change in the percentage of Bondholders necessary to waive an Event of Default under the Indenture or otherwise approve matters requiring Bondholder approval under the Indenture, including consent to any supplemental Indenture, without the consent of the Owners of all the Bonds then Outstanding;

(f) a transfer, assignment or release of the Credit Facility (or modification of the provisions of the Indenture governing such transfer, assignment or release), other than as permitted by the Indenture or the Credit Facility, without the consent of the Owners of all of the Bonds then Outstanding;

(g) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental Indenture, without the consent of the Owners of all of the Bonds then Outstanding;

(h) the creation of any lien other than a lien ratably securing all of the Bonds at any time Outstanding under the Indenture, without the consent of the Owners of all of the Bonds then Outstanding; or

(i) the amendment of the provisions of the Indenture relating to the amendment thereof, without the consent of the Owners of all of the Bonds then Outstanding.

Notice of any amendment described above shall be given to the Bondholders promptly following the execution thereof.

No Bondholder Consent Required for Amendment to Loan Documents. Unless a Wrongful Dishonor has occurred and is continuing, the Credit Provider alone may consent to any amendment to the Loan Documents and no consent of the Bondholders is required; provided, however, that any amendment of the payments terms of the Note shall occur only following written confirmation of the Rating Agency that such amendment will not result in a reduction or withdrawal of the rating on the Bonds.

Amendments to the Credit Facility

The Credit Facility may only be amended, supplemented or otherwise changed in accordance with the following:

(a) *Replacement Credit Facility.* At the request of the Credit Provider, the Trustee shall exchange the Credit Facility with the Credit Provider for a new Credit Facility issued by the Credit Provider, provided that there is delivered to the Trustee (i) a written confirmation from the Rating Agency to the effect that such exchange shall not adversely affect the rating then in effect for the Bonds and (ii) a written opinion of Bond Counsel to the effect that such exchange will not adversely affect the excludability of interest on the Bonds from gross income for federal income tax purposes. No such exchange shall require the approval of the Administration, the Trustee or any of the Bondholders or constitute or require a modification or supplement to the Indenture.

(b) *Amendment of the Credit Facility.* The Trustee may consent, without the consent of the owners of the Bonds, to any amendment of the Credit Facility not addressed in subsection (a) which does not prejudice in any material respect the interests of the Bondholders.

(c) *Other Amendments of the Credit Facility.* Except as provided in subsections (a) and (b), the Credit Facility may be amended only with the consent of the Trustee and the owners of a majority of the owners of all Outstanding Bonds. No amendment may be made to the Credit

Facility which would reduce the amounts required to be paid under the Credit Facility or change the time for payment of such amounts; provided, however, that any such amounts may be reduced without such consent solely to the extent that such reduction represents a reduction in any fees payable from such amounts.

Notice to and Consent of Bondholders

If consent of the Bondholders is required for any supplement, amendment or modification to the Indenture or for any other similar purpose, the Trustee shall give notice of the proposed supplement, amendment or modification by first class mail, postage prepaid, to the Bondholders. Such notice will be conclusively presumed to have been duly given and received when given in such manner, whether or not any holder actually receives the notice. Such notice shall briefly set forth the nature of the proposed supplement, amendment or modification, and shall state that copies of any such supplement, amendment or modification are on file at the Designated Office of the Trustee for inspection by the Bondholders. The consent of the holder of any Bond will be binding on any transferee and successor transferees of such Bond.

Required Approvals

Subject to the provisions of the Indenture, no amendment, supplement or modification may be made (i) to any Transaction Document without the prior written consent of the Credit Provider. Anything in the Indenture to the contrary notwithstanding, a supplement or amendment or other document which materially and adversely affects any rights or obligations of the Borrower will not become effective unless and until the Borrower (if the Borrower is not then in default under any Bond Document or any Loan Document and if no event which, with notice or the passage of time or both, would constitute such a default has occurred and is continuing) has consented in writing to the execution of such supplemental indenture, amendment or other document. The Trustee shall not be required to enter into any supplement or amendment which adversely affects the Trustee's rights and duties under the Indenture.

Opinions of Counsel

The Trustee may obtain and will be fully protected in relying upon an Opinion of Counsel as conclusive evidence that any supplement or amendment to the Indenture is authorized and permitted by the Indenture and, if applicable, is not materially adverse to the interests of the Bondholders. No supplement or amendment with respect to the Indenture shall be effective until the Administration and the Trustee shall have received an Opinion of Bond Counsel to the effect that such supplement or amendment will not adversely affect the exclusion from gross income, for federal income tax purposes, of the interest payable on the Bonds.

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AGREEMENT

The following is a brief summary of certain provisions of the Financing Agreement. The summary does not purport to be complete or definitive and is qualified in its entirety by reference to the Financing Agreement, copies of which are on file with the Trustee.

The provisions set forth below are applicable on and after the Delivery Date.

Amount and Source of Loan

The Administration has authorized the issuance of the Bonds in the Principal Amount. The Administration has agreed to make the Loan in the Principal Amount in installments to the Borrower with the Net Bond Proceeds. Upon the issuance and delivery of the Bonds, the Administration will deliver the Net Bond Proceeds to the Trustee. The Loan shall be deemed made in full upon deposit of the Net Bond Proceeds into the Loan Fund. The Borrower has accepted the Loan from the Administration upon the terms and conditions set forth in the Financing Agreement and the Loan Documents, subject to the Indenture, the Regulatory Agreement and the Assignment. Disbursements will be made from the Loan Fund as provided in the Indenture. The Borrower has agreed to apply the proceeds of the Loan to pay the costs of the acquiring and rehabilitating the Mortgaged Property.

Payment of Fees, Costs and Expenses

The Borrower shall pay when due, without duplication, the fees, expenses and other sums described below.

(a) *Fees Due at Closing.* The Borrower shall pay or provide for the payment of all Costs of Issuance and the Trustee's acceptance fee, if any, on the Closing Date.

(b) *Issuer's Fee.* The Borrower shall pay or provide for the payment of the Issuer's Fee in an annual amount equal to .25% of the principal amount of the Loan which is included in the interest rate on the Loan payable under the Financing Agreement, and all costs and expenses incurred by the Issuer at any time in connection with the Bonds.

(b) *Third Party Fees.* The Borrower shall pay the Third Party Fees on a monthly basis. Each monthly payment shall be in an amount equal to the aggregate of all of the Third Party Fees prorated monthly so that the Trustee shall have the full amount of each fee available in the Fees Account to pay each Third Party Fee as it falls due without regard to whether any Third Party Fee is payable monthly, annually or on any other periodic basis. Third Party Fees are not included in the Note interest rate. The Third Party Fees are as follows:

(1) *Trustee.* The Trustee's acceptance fee, if any, which shall be paid on the Closing Date, the Trustee's Annual Fee equal to the annual continuing trust administration fee of the Trustee as provided in the Financing Agreement, computed and payable annually in advance on each December 1, and all advances, out-of-pocket expenses, fees, costs and other charges reasonably and necessarily incurred by the Trustee under the Indenture and Extraordinary Items.

(2) *Rebate Analyst*. The annual or other periodic fee of the Rebate Analyst.

(3) *Rating Agency.* The annual rating maintenance fee of each Rating Agency.

(4) *Extraordinary Items.* The Extraordinary Items.

(5) *Bond Costs.* All costs of registering, printing, reprinting, preparing and delivering any replacement bonds required under the Indenture and in connection with the registration, printing, reprinting or transfer of Bonds.

The Borrower agrees to timely honor any demand for payment by the Trustee pursuant to the Indenture on account of any insufficiency in the Fees Account.

Obligation of the Borrower to Pay Deficiencies

The Borrower shall pay any deficiency resulting from any loss due to a default under any investment in any Fund or Account or a change in value of any investment.

Obligations of the Borrower Unconditional

To the fullest extent permitted by law, the obligations of the Borrower to make all payments and perform its other obligations under the Financing Agreement shall be absolute, unconditional and irrevocable, shall be paid and performed strictly in accordance with the applicable Transaction Documents under all circumstances, including, without limitation, the following circumstances: (i) any invalidity or unenforceability of the Credit Facility or any of the other Transaction Documents; (ii) any amendment or waiver of, or any consent to departure from, the terms of the Credit Facility or any of the other Transaction Documents, any extension of time or other modification of the terms and conditions for any act to be performed in connection with the Credit Facility or any of the other Transaction Documents; (iii) the existence of any claim, set-off, defense or other right which the Borrower may have at any time against the Administration, the Trustee, the Credit Provider, the Loan Servicer or any other Person, whether in connection with any of the Transaction Documents, the Mortgaged Property, or any unrelated transaction; (iv) the surrender or impairment of any security for the performance or observance of any of the agreements or terms of any of the Transaction Documents; (v) defect in title to the Mortgaged Property, any act or circumstance that may constitute failure of consideration, destruction of, damage to or condemnation of the Mortgaged Property, commercial frustration of purpose, or any change in the tax or other laws of the United States of America or of the State or any political subdivision of either; (vi) the breach by the Administration, the Trustee, the Credit Provider, the Loan Servicer or any other Person of any of its obligations under any Transaction Document; or (vii) any other circumstance, happening or omission whatsoever, whether or not similar to any of the foregoing.

Personal Liability of Borrower

Except as provided in the last sentence under this heading, the obligations of the Borrower under the Financing Agreement and the obligations of the Borrower under the Regulatory Agreement to pay money, including the obligations of the Borrower with respect to the Reserved Rights, shall be (i) general obligations of the Borrower with recourse to the Borrower personally, and (ii) subordinate and junior in priority, right of payment and all other respects to any and all obligations of the Borrower under the Loan Documents and to the Credit Provider under or in respect of the Credit Facility Documents. Nothing described under this heading shall apply to the obligations of the Borrower under any of the Loan Documents.

Obligations Unsecured

All obligations of the Borrower under the Financing Agreement and under the Regulatory Agreement, including the obligations of the Borrower with respect to the Reserved Rights, shall not be secured by the Security Instrument; provided however, that the Regulatory Agreement shall be recorded as a lien on the Mortgaged Property.

Certain Obligations Personal to the Borrower

No subsequent owner of the Mortgaged Property (including the Credit Provider as a result of a foreclosure, a deed in lieu of foreclosure or comparable conversion of the Loan) shall be liable for any breach or default of any obligation of any prior owner under the Regulatory Agreement or the Financing Agreement, including any payment or indemnification obligation. The owner of the Mortgaged Property at the time any default or breach occurs shall remain liable for any and all damages occasioned by such default or breach even after such Person ceases to be the owner. Upon seeking to collect such damages, neither the Administration nor the Trustee shall have recourse against or the right to levy against or otherwise collect on any judgment from the Mortgaged Property.

Indemnification

The Borrower releases the Administration and the Trustee, and their respective officers, directors, agents, officials, employees (and, as to the Administration, members of its governing body) and any person who controls the Administration or the Trustee within the meaning of the Securities Act of 1933, from, and covenants and agrees to indemnify, hold harmless and defend the Administration, the Trustee and their respective officers, directors, employees, agents, members of its governing body, officials and any person who controls such party within the meaning of the Securities Act of 1933 and employees and each of them (each an "**Indemnified Party**") from and against, any and all losses, claims, damages, liabilities and expenses (including attorneys' fees and expenses), taxes, causes of action, suits and judgments of any nature, joint or several, by or on behalf of any person arising out of:

(a) the approval of financing for the Mortgaged Property or the making of the Loan;

(b) the issuance, sale, resale or remarketing of any Bonds or any certifications or representations made by any person other than the party seeking indemnification in connection therewith, including, but not limited to, any (i) statement or information made by the Borrower with respect to the Borrower or the Mortgaged Property in any offering document or materials regarding the Bonds, the Mortgaged Property or the Borrower or in the Tax Certificate of the Borrower or in any other certificate executed by the Borrower which, at the time made, is misleading, untrue or incorrect in any material respect, (ii) untrue statement or alleged untrue statement of a material fact relating to the Borrower or the Mortgaged Property contained in any offering material relating to the sale of the Bonds, as from time to time amended or supplemented, or arising out of or based upon the omission or alleged omission to state in such offering material a material fact relating to the Borrower or the Mortgaged Property required to be stated in such offering material or necessary in order to make the statements in such offering material not misleading, (iii) failure to properly register or otherwise qualify the sale of the Bonds or failure to comply with any licensing or other law or regulation which would affect the manner in which or to whom the Bonds could be sold;

(c) the interpretation, performance, enforcement, breach, default or amendment of the Bond Documents, the Loan Documents or any other documents relating to the Mortgaged Property or the Bonds or in connection with any federal or state tax audit, or any questions or other matters arising under such documents;

(d) the Borrower's failure to comply with any requirement of the Financing Agreement or the Regulatory Agreement;

(e) the condition of the Mortgaged Property (environmental or otherwise), including any violation of any law, ordinance, court order or regulation affecting the Mortgaged Property or any part of it;

(f) any damage or injury, actual or claimed, of whatever kind, cause or character, to property (including loss of use of property) or persons, occurring or allegedly occurring in, on or about the Mortgaged Property or arising out of any action or inaction of the Borrower or any of its agents, servants, employees or licensees, whether or not related to the Mortgaged Property, or resulting from the acquisition, construction, design, rehabilitation, repair, operation, use or management of all or any part of the Mortgaged Property;

(g) the Trustee's acceptance or administration of the trusts created by, and the exercise of its powers or duties under, the Indenture or under the Financing Agreement, the Regulatory Agreement, the Credit Facility or any other agreements in connection with such agreements to which it is a party; and

(h) to the extent not mentioned in any of the preceding subsections, any cause whatsoever in connection with transactions provided for in the Financing Agreement and the other Transaction Documents or otherwise in connection with the Mortgaged Property, the Bonds or the execution or amendment of any document relating to the Bonds or the Mortgaged Property.

This indemnification shall extend to and include, without limitation, all reasonable costs, counsel fees, expenses and liabilities incurred in connection with any such claim, or proceeding brought with respect to such claim, except (i) in the case of the foregoing indemnification of the Trustee or any of the Indemnified Parties, to the extent such damages are caused by the negligence or willful misconduct of such Person, and (ii) in the case of the foregoing indemnification of the Administration or any of the Indemnified Parties, to the extent such damages are caused by the willful misconduct of such Person.

Events of Default

The occurrence of any one or more of the following events shall constitute an Event of Default under the Financing Agreement:

(a) The Borrower fails to pay when due any amount payable by the Borrower under the Financing Agreement.

(b) The Borrower fails to observe or perform any covenant or obligation in the Financing Agreement on its part to be observed or performed for a period of 30 days after receipt of written notice to the Borrower and the Tax Credit Investor from the Trustee specifying such failure and requesting that it be remedied; provided, however, that if the failure cannot be corrected within such period, it shall not constitute an Event of Default if the failure is correctable without material adverse effect on the validity or enforceability of the Bonds or on the exclusion from gross income, for federal income tax purposes, of the interest on the Tax-Exempt Bonds, and if corrective action is instituted by the Borrower within such period and diligently pursued until the failure is corrected, and provided further that any such failure is cured within 90 days of receipt of notice of such failure.

(c) The Credit Provider provides written notice to the Trustee of an Event of Default under the Financing Agreement by reason of the occurrence of an Event of Default under the Reimbursement Agreement. No Event of Default under the Reimbursement Agreement shall constitute a default under the Financing Agreement unless specifically declared to be so by the Credit Provider. The Credit Provider shall make such declaration by written notice to the Trustee.

Remedies Upon an Event of Default

Subject to the Assignment, whenever any Event of Default occurs and is continuing under the Financing Agreement, the Administration may take one or any combination of the following remedial steps:

(a) by written notice to the Borrower, declare all amounts then due and payable on the Note to be immediately due and payable;

(b) exercise any of the rights and remedies provided in the Loan Documents; and

(c) take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and afterward to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under the Financing Agreement.

No Levy or Other Execution Against Mortgaged Property

Neither the Administration nor the Trustee shall have any right to levy, execute or enforce any judgment in respect of the Borrower's obligations under the Financing Agreement, including the Reserved Rights, against the Mortgaged Property or any other property of the Borrower which secures the obligations of the Borrower under the Loan or to the Credit Provider under any of the Credit Facility Documents.

Cure by Tax Credit Investor

The Issuer hereby agrees that any cure of any Event of Default hereunder made or tendered by the Tax Credit Investor shall be deemed to be a cure by the Borrower, and shall be accepted or rejected by the Issuer on the same basis as if made or tendered by the Borrower.

Amendment

No amendment to the Financing Agreement shall be binding upon the parties to the Financing Agreement until such amendment is reduced to writing and executed by such parties; provided, however, that no amendment, supplement or other modification to the Financing Agreement or any other Bond Document shall be effective without the prior written consent of the Credit Provider, subject to the provisions of the Financing Agreement.

[Remainder of page intentionally left blank]

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT

In the Regulatory Agreement, the Administration and the Borrower each made certain covenants for the purpose of preserving the exclusion from gross income of interest on the Bonds for purposes of Federal income taxation and qualifying the Mortgaged Property for the Tax Credits (as defined therein) by regulating and restricting the use and occupancy of the Mortgaged Property as set forth therein. This summary does not purport to be complete or definitive and is qualified in its entirety by reference to the Regulatory Agreement, a copy of which is on file with the Trustee.

Covenants Running with the Land

The Borrower declares that the Property and every part of it is and shall be owned (legally and beneficially), leased, or otherwise conveyed, transferred, developed, constructed, rehabilitated, improved, built upon, occupied, or otherwise used, subject to the covenants and restrictions set forth in the Regulatory Agreement (collectively, the "**Restrictive Covenants**"). The Restrictive Covenants shall run with the Property and every part of it for all purposes and shall be binding upon the Borrower and all property owners, tenants, licensees, occupants, and their successors in interest with respect to the Property and shall inure to the benefit of the Borrower and the Administration and their respective successors and assigns.

Rental Requirement

All of the Dwelling Units in the Mortgaged Property shall be rented or made available for rental on a continuous basis to members of the general public.

Unless approved by the Administration and to the extent permitted under applicable law, rules and/or regulations, the Borrower shall not give preference in renting Dwelling Units in the Mortgaged Property to any particular class or group of persons, other than Lower-Income Tenants as provided in the Regulatory Agreement.

The Borrower shall not refuse to lease any Unit in the Mortgaged Property to a prospective tenant who is a holder of a voucher or certificate of eligibility under Section 8 solely on the basis of the prospective tenant's status as a holder of such voucher or certificate.

None of the Dwelling Units shall at any time be utilized on a transient basis, provided that a single room occupancy Unit shall not be treated as used on a transient basis merely because it is rented on a month-by-month basis; none of the Dwelling Units shall ever be leased or rented for a period of less than 30 days; and neither the Mortgaged Property nor any portion thereof shall ever be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, hospital, sanitarium, nursing home, rest home, or trailer court or park. None of the occupants of such Units shall be provided services customarily found in hotels such as room service for food and beverages, maid service, furnishing and laundering of linens or valet service, and the Borrower shall not provide continued or frequent nursing, medical or psychiatric services to residents of the Mortgaged Property.

No part of the Mortgaged Property shall at any time be owned or used by a cooperative housing corporation unless otherwise approved in writing by Bond Counsel.

The Mortgaged Property shall not include a Unit in a building unless all Units in such building are included in the Mortgaged Property.

The Mortgaged Property shall consist of one or more discrete edifices and other man-made construction, each consisting of an independent foundation, outer walls and roof, all of which are: (i) owned by the same person for federal tax purposes; and (ii) financed by the Loan or otherwise pursuant to a common plan of finance. The Mortgaged Property shall be located on (i) a common tract of land, (ii) two or more tracts of land which are contiguous except for being separated only by a road, street or stream or similar property, or (iii) two or more tracts of land whose boundaries meet at one or more points.

The Mortgaged Property shall consist entirely of: Dwelling Units and facilities functionally related and subordinate in purpose and size to property described above, e.g. parking areas, swimming pool, exercise room, and other recreational facilities reasonably required for the Mortgaged Property, heating and cooling equipment, trash disposal equipment, or units for resident managers or maintenance personnel.

The Borrower shall not convert the Mortgaged Property to condominium ownership.

No Dwelling Unit in the Mortgaged Property shall be occupied by the Borrower at any time unless the Borrower resides in a Dwelling Unit in a building or structure which contains at least five Dwelling Units and unless the resident of such Dwelling Unit is a resident manager or other necessary employee (e.g., maintenance and security personnel) and no more than an insubstantial number of Units (1% of the total number of Units) is so occupied.

Lower Income Tenants and Occupancy Requirements

The Borrower represents, covenants, and agrees that it shall comply with the following occupancy requirements:

(a) At all times during the Qualified Mortgaged Property Period and, if longer, for such additional period as the Loan remains outstanding, the Lower-Income Tenant Occupancy Requirement shall be met. The Borrower acknowledges, covenants and agrees that for the purposes of applying the Lower-Income Tenant Occupancy Requirement, the Mortgaged Property shall be treated as a separate Qualified Residential Rental Mortgaged Property.

(b) For the purpose of satisfying the covenant in paragraph (a) above, a residential Unit in the Mortgaged Property shall be treated as "occupied" if it was previously rented to and occupied by a Lower-Income Tenant and is being held vacant and available for rental to a Lower-Income Tenant. When such a Unit is re-occupied (other than for a temporary period of not more than 31 days), the character of the Unit shall be redetermined.

(c) For purposes of satisfying the covenant in paragraph (a) above, the determination of Annual Income will be made both prior to occupancy and on a continuing basis. Increases in a Lower-Income Tenant's Annual Income up to 140% of the applicable limit (adjusted for family size) will not result in disqualification as a Lower Income Tenant. In the event that a Lower-Income Tenant's Annual Income increases to a level more than 140% of the then applicable limit (or if a Lower-Income Tenant's family size decreases so that its Annual Income becomes more than 140% of the then applicable limit adjusted for family size), and the next Unit of a comparable or smaller size in the Mortgaged Property has become available and is not rented to a Lower-Income Tenant, that Lower-Income Tenant may no longer be counted among the 40% of Units that satisfy the Lower-Income Tenant Occupancy Requirement; provided however, that if tax credits under Section 42 of the Code are allowed with respect to the Mortgaged Property, the next Unit of a comparable or smaller size in the same building as the Lower-

Income Tenant whose Annual Income has increased to a level more than 140% of the then applicable limit must be rented to a Lower-Income Tenant.

(d) Within 30 days after the dates on which at least 10% and 50%, respectively, of the Dwelling Units in the Mortgaged Property are first occupied following issuance of the Bonds and the closing of the Loan, the Borrower shall prepare and submit to the Administration a certificate (which may be in the form attached as Exhibit B to the Regulatory Agreement) in recordable form identifying such date (which may be the date of issuance of the Bonds) for purposes of the calculation of the commencement and termination of the Qualified Project Period, as applicable.

(e) The Borrower shall obtain and maintain on file annual certifications of Annual Income (the "Annual Income Certifications") from each Lower-Income Tenant in the form and containing such information as may be required by the Code. The first such Annual Income Certification shall be dated not later than either (i) in the case of a tenant who initially executes his/her lease after the date of issuance of the Bonds, the date of execution of the lease, or (ii) in the case of a tenant who was residing in a residential unit on the date of issuance of the Bonds, the date that is no later than one year after the date of issuance of the Bonds. Subsequent Annual Income Certifications for existing tenants shall be dated no earlier than 30 days prior to the anniversary date of initial occupancy. Photocopies of each Annual Income Certification for each new Lower-Income Tenant shall be submitted to the Administration as requested by the Administration, which may be as often as may be necessary, in the opinion of Bond Counsel, to comply with applicable provisions of the Code.

(f) The Borrower shall maintain complete and accurate records pertaining to the Dwelling Units occupied or to be occupied by Lower-Income Tenants, and permit any duly authorized representative of the Administration, the United States Department of the Treasury or the Internal Revenue Service to inspect the books and records of the Borrower pertaining to the certifications of Annual Income of Lower-Income Tenants residing in the Mortgaged Property upon reasonable notice and at reasonable times.

(g) The Borrower shall immediately notify the Administration if at any time the Dwelling Units in the Mortgaged Property are not occupied or available for occupancy as provided in paragraph (a) above.

(h) The Borrower shall prepare and submit to the Administration a certificate executed by the Borrower stating, among other matters, the number of Dwelling Units of the Mortgaged Property which, as of the first day of such year, were occupied by Lower-Income Tenants or were vacant and held available for rental to Lower-Income Tenants as provided in paragraph (b) above, and stating that the Lower Income Tenant Occupancy Requirement has been met. Such certificate shall be submitted annually on a date determined by the Administration for each calendar year following issuance of the Bonds.

Annual Certification

The Borrower shall submit to the Secretary of the United States Treasury Department, at such time and in such manner as the Secretary of the Treasury may prescribe, an annual certification as to whether the Mortgaged Property continues to meet the requirements of Section 142(d) of the Code.

Duration and Termination

(a) Unless terminated sooner in accordance with the provisions of paragraphs (b) or (c) below, the Restrictive Covenants shall continue and remain in full force and effect at all times with respect to the Property and each part of it, now or hereafter made subject to the Restrictive Covenants, until the expiration of the Qualified Project Period or so long as the Loan is outstanding, whichever is longer, it being expressly agreed and understood that the provisions hereof may survive the repayment in full of the Loan, if such repayment occurs prior to the termination of the Qualified Project Period.

(b) The Regulatory Agreement, or any provisions of it, or any of the Restrictive Covenants, may be terminated, extended, modified, or amended upon an amendment to or modification of applicable provisions of the Code relating to the exclusion of the interest on the Bonds from gross income for federal income tax purposes, provided the Administration obtains an opinion of Bond Counsel to the effect that upon such termination, extension, modification, or amendment, interest on the Bonds shall remain excludable from gross income for federal income tax purposes. Any such termination, extension, modification, or amendment shall be in writing and shall be effective only after execution by the Administration and the Borrower, and recordation among the land records of the county in which the Property is located. For purposes of execution of the instrument evidencing such termination, extension, modification or amendment, the Borrower irrevocably appoints the Administration its attorney-in-fact, with full power and authority to execute all documents and do all acts necessary or desirable to give effect to such termination, extension, modification, or amendment.

(c) Notwithstanding any provisions of paragraphs (a) or (b) above to the contrary, the Regulatory Agreement and the Restrictive Covenants shall automatically terminate in the event of involuntary noncompliance caused by fire, seizure, requisition, foreclosure, transfer of title by deed in lieu of foreclosure, change in a federal law or an action of a federal administration after the date hereof which prevents compliance with the covenants expressed herein, or condemnation or similar event, but only if, within a reasonable period either (i) an allocable portion of the Bonds are redeemed and paid in full, or (ii) amounts received as a consequence of such event are used to provide a project which meets and is subject to the requirements of Section 142(d) of the Code and of Treasury Regulation Section 1.103-8(b), as amended; provided, however, that the restrictions thereof shall nevertheless apply to the Mortgaged Property if, at any time during that part of the Qualified Project Period subsequent to any involuntary event as described in this paragraph, the "conduit borrower" on the "purpose investment" (as those phrases are defined in Treasury Regulation Sections 1.150-1(b) and 1.148-1(b), as amended, or a "related party" (as that term is defined in Treasury Regulation Section 1.150-1(b), as amended) obtains an ownership interest in the Mortgaged Property for tax purposes.

[Remainder of page intentionally left blank]

APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF THE ASSIGNMENT AND INTERCREDITOR AGREEMENT

The Administration, the Trustee and Fannie Mae have agreed in the Assignment and Intercreditor Agreement (the "Assignment") upon their respective rights arising from an Event of Default under any of the Bond Financing Documents (defined below). The following is a brief summary of certain provisions of the Assignment. The summary does not purport to be complete or definitive and is qualified in its entirety by reference to the full text of the Assignment, a copy of which is on file with the Trustee.

The Administration, the Trustee and Fannie Mae will agree in an Assignment, dated as of the date of the Indenture, upon their respective rights arising from an Event of Default under the Loan Documents and the Financing Agreement (collectively, the "Bond Financing Documents"). Under the terms of the Assignment, the Administration, the Trustee and Fannie Mae will agree, among other things, that, until either (a) Fannie Mae fails to honor a draw properly presented in accordance with the terms of the Credit Facility (a "Wrongful Dishonor") or (b) the Credit Facility terminates in accordance with its terms and all of the Borrower's obligations to Fannie Mae under the Reimbursement Agreement shall have been paid in full, certain of the rights and remedies of the Administration, the Trustee and Fannie Mae under the Bond Financing Documents, including (without limitation) the rights and remedies of the Trustee as beneficiary under the Security Instrument, may (except for the exercise of remedies to preserve the tax-exempt status of the 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 Fannie Mae, in its sole discretion, including (without limitation) the right to waive certain terms and conditions of the Bond Financing Documents pertaining to the Borrower.

Notwithstanding anything to the contrary contained in the Financing Agreement and pursuant to the Assignment, as long as Fannie Mae is not in default of its obligations under the Credit Facility, neither the Administration, 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 Fannie Mae; provided that such prohibition will not be construed to limit the rights of the Administration or the Trustee to specifically enforce the Regulatory Agreement in order to provide for operation of the Mortgaged Property in accordance with the Code and the Act or to enforce other Reserved Rights or reserved rights of the Trustee; and provided further that such prohibition will not be construed to limit the indemnification rights of the Administration, the Trustee, the Servicer, Fannie Mae or any other indemnified party to enforce its rights against the Borrower 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 Loan.

[THIS PAGE INTENTIONALLY LEFT BLANK]

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. In addition, Fannie Mae shall have the right without the consent of, or notice to, the Trustee, the Administration or the Bondholders, to amend, modify, change, add to or delete any of the provisions of the Reimbursement Agreement. Capitalized terms used in this Appendix and not otherwise defined will have the meanings given them in the Reimbursement Agreement.

The Credit Facility is issued pursuant to the Reimbursement Agreement. The Reimbursement Agreement obligates the Borrower, among other things, to reimburse Fannie Mae for funds advanced by Fannie Mae under the Credit Facility and to pay various fees and expenses. The Reimbursement Agreement sets forth various affirmative and negative covenants of the Borrower, some of which are more restrictive with respect to the Borrower than similar covenants contained in the Financing Agreement. The Reimbursement Agreement also includes various Events of Default, including, but not limited to, payment defaults, covenant defaults and cross-defaults to other documents, including in some cases other indebtedness.

Upon the occurrence of an Event of Default under the Reimbursement Agreement, Fannie Mae may, among other things, accelerate the Bonds, subject the Bonds to mandatory purchase and/or exercise any other rights or remedies available under any Transaction Document or take any other action, whether at law or in equity, without notice or demand, as it deems advisable to protect and enforce its rights.

The Reimbursement Agreement may be amended, supplemented, restated or terminated only by a written instrument or written instruments signed by the Borrower and Fannie Mae, and without receiving the consent of, or providing notice to, the Trustee, the Administration or the Bondholders. Fannie Mae shall have the right, in its sole discretion, to waive any Event of Default under any Transaction Document. Unless such waiver expressly provides to the contrary, any waiver so granted shall 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.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX G

FORM OF CREDIT FACILITY

STAND-BY
IRREVOCABLE TRANSFERABLE
CREDIT ENHANCEMENT INSTRUMENT

(Marlborough Apartments)

December 18, 2014

U.S. $28,108,350

Manufacturers and Traders Trust Company, as Trustee
25 South Charles Street, 11th FL
Baltimore, Maryland 21201

At the request of Marlborough Revitalization 2013, LP ("**Borrower**") Fannie Mae ("**Fannie Mae**") issues this stand-by, irrevocable, transferable Credit Enhancement Instrument ("**Credit Enhancement Instrument**") to Manufacturers and Traders Trust Company ("**Trustee**"), not in its individual or corporate capacity but solely as Trustee for the owners of $27,590,000 aggregate principal amount of the Community Development Administration Maryland Department of Housing and Community Development Multifamily Development Revenue Bonds (Marlborough Apartments) Series 2014 I ("**Bonds**") issued pursuant to the Trust Indenture ("**Indenture**") dated as of December 1, 2014 between Community Development Administration Maryland Department of Housing and Community Development ("**Issuer**") and the Trustee.

1. **Definitions**. Capitalized terms used in this Credit Enhancement Instrument have the meanings given to those terms in the Indenture or in this Section 1 or elsewhere in this Credit Enhancement Instrument.

"**Act of Bankruptcy**" means any proceeding instituted under the Bankruptcy Code by or against the Borrower or the Loan Servicer.

"**Advance**" means a Debt Service Advance, Extraordinary Advance, Bankruptcy-Related Advance or Issuer's Fee Advance as such terms are defined in Section 3.

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

"**Amount Available**" has the meaning given that term in Section 2.

"**Bankruptcy Code**" means Title 11 of the United States Code, entitled "Bankruptcy," as now in effect and as amended from time to time in the future, or any successor provisions of federal law.

"**Bankruptcy-Related Advance**" has the meaning given that term in Section 3(d).

"**Bond Interest Portion**" has the meaning given such term in the Note.

"**Bond Payment Date**" means June 15 and December 15 of each year beginning on June 15, 2015.

"**Business Day**" means any day other than (i) a Saturday or a Sunday, (ii) any day on which banking institutions located in the City of New York, New York are required or authorized by law or executive order to close, (iii) any day on which banking institutions located in the city or cities in which the Designated Office (as that term is defined in the Indenture) of the Trustee or the Loan Servicer is located are required or authorized by law or executive order to close, or (iv) any day on which Fannie Mae is closed.

"**Certificate**" means any certificate in the form attached to this Credit Enhancement Instrument as an Exhibit or such other form as provided in Section 3. If the certificate is submitted to Fannie Mae by personal delivery or by telecopy, the certificate must be signed by one who purports to be an authorized officer of the Trustee. If the certificate is submitted to Fannie Mae in any other medium (such as e-mail or a web based medium), the certificate must be authenticated as provided in the related Presentation Protocol.

"**Credit Enhancement Expiration Date**" means, subject to Sections 7(c) and (d), the Credit Enhancement Expiration Date stated in Section 7(a), if not earlier terminated.

"**Credit Enhancement Instrument"** means this Stand-by Irrevocable Transferrable Credit Enhancement Instrument as the same may be amended, supplemented or restated from time to time.

"**Credit Enhancement Termination Date**" means, subject to Sections 7(c) and (d), the date on which this Credit Enhancement Instrument terminates in accordance with Section 7(b).

"**Debt Service Advance**" has the meaning given that term in Section 3(a).

"**Excluded Bond**" means any Bond which is not Outstanding (as that term is defined in the Indenture), any Bond registered in the name of or otherwise owned, directly or indirectly, by the Borrower or any Affiliate of the Borrower.

"**Extraordinary Advance**" has the meaning given that term in Section 3(b).

"**Initial Bond Payment Date**" means June 15, 2015.

"**Interest Component**" means the amount of an Advance which is made on account of interest on any of the Bonds.

"**Interest Rate**" has the meaning given that term in Section 2(b).

"**Issuer's Fee**" means that portion of the Issuer's regularly scheduled annual fee equal to 0.25% of the outstanding principal amount of the Loan payable monthly as part of the interest rate on the Loan.

"**Issuer's Fee Advance**" has the meaning given that term in Section 3(e).

"**Issuer's Fee Portion**" has the meaning given that term in Section 2(c).

"**Loan**" means the mortgage loan made by the Issuer to the Borrower pursuant to the Financing Agreement.

"**Loan Servicer**" means initially PNC Bank, National Association or any other entity approved by Fannie Mae in its discretion as the servicer of the Loan, and any permitted successors or assigns.

"**Note**" means the Multifamily Note (together with all addenda thereto) dated as of December 18, 2014, executed by the Borrower in favor of the Issuer, as the same may be amended, supplemented or restated from time to time or any mortgage note executed in substitution therefor in accordance with the terms of the Bond Documents, as such substitute note may be amended, supplemented or restated from time to time.

"**Presentation Protocol**" means an agreement between Fannie Mae and the Trustee regarding one or more media through which the Trustee may present Certificates to Fannie Mae under this Credit Enhancement Instrument, as such agreement may be amended, supplemented or restated from time to time.

"**Principal Component**" means the amount of an Advance which is made on account of the principal of any of the Bonds or the principal component of the redemption price of any Bonds.

"**Principal Portion**" has the meaning given that term in Section 2(a).

"**Purchase in Lieu of Redemption**" means (i) with respect to an Extraordinary Advance, the purchase of Bonds pursuant to Section 10.2(b) of the Indenture; and (ii) with respect to a Bankruptcy-Related Advance, the purchase of Bonds pursuant to Section 3.7(a) or Section 10.2(b) of the Indenture, as applicable.

"**Reimbursement Agreement**" means the Reimbursement Agreement, dated as of December 1, 2014, between Fannie Mae and the Borrower, as such agreement may be amended, supplemented or restated from time to time.

"**Trustee**" means Manufacturers and Traders Trust Company**,** a New York banking corporation, not in its individual or corporate capacity, but solely as trustee under the Indenture, or any permitted successor trustee under the Indenture.

2. **<u>Amount Available</u>**. Subject to the terms and conditions of this Credit Enhancement Instrument, Fannie Mae irrevocably authorizes the Trustee to draw on Fannie Mae, from time to time, from and after the date of this Credit Enhancement Instrument to, and including, the earlier of the Credit Enhancement Expiration Date or the Credit Enhancement Termination Date, a maximum aggregate amount not exceeding $28,108,350 (as such amount may be reduced or reinstated from time to time in accordance with Section 8, "**Amount Available**"), of which:

(a) up to $27,590,000 ("**Principal Portion**") may be drawn with respect to the unpaid principal of the Bonds**;**

(b) up to 483,860 or 183 days interest on the Bonds calculated at a rate of 3.45% per annum (**the "Interest Rate**") (the highest Bond coupon rate at closing) on the basis of a year of 360 days consisting of twelve 30-day months) may be drawn with respect to interest actually accrued on the Bonds ("**Bond Interest Portion**"). The Bond Interest Portion is subject to automatic and permanent reduction as set forth below in Section 8(a)(3) and Section 8(a)(6); and

(c) up to $34,490 ("**Issuer's Fee Portion**") may be drawn with respect to the Issuer's Fee.

3. __Advances__. Each demand for an Advance shall be made by the Trustee's presentation to Fannie Mae of a Certificate in accordance with this Section 3:

(a) in the form of __Exhibit B__ if the Trustee does not have sufficient available funds three Business Days prior to any Bond Payment Date, to pay (i) the full amount of principal of and interest due on the Bonds (other than Excluded Bonds) on such Bond Payment Date or (ii) the principal and interest components (but not premium) of the redemption price of any Bonds (other than Excluded Bonds) in connection with a mandatory sinking fund redemption of Bonds pursuant to Section 3.4 of the Indenture ("**Debt Service Advance**");

(b) in the form of __Exhibit C__ if the Trustee does not have sufficient available funds three Business Days prior to the date on which the Trustee is required to pay (i) the principal of and interest on the Bonds (other than Excluded Bonds) as a result of an acceleration of the Bonds pursuant to the Indenture or (ii) the principal and interest components (but not premium) of the redemption price of any Bonds (other than Excluded Bonds) in connection with a mandatory redemption of Bonds pursuant to Section 3.3 of the Indenture, or (iii) to pay the purchase price of any Bonds (other than Excluded Bonds) in connection with a Purchase in Lieu of Redemption pursuant to Section 10.2(b) of the Indenture ("**Extraordinary Advance**");

(c) __Reserved__.

(d) in the form of __Exhibit E__ to pay to Bondholders the amount of any payment of principal of or interest on the Bonds (other than Excluded Bonds) or purchase price of the Bonds in connection with a Purchase in Lieu of Redemption of Bonds pursuant to Section 3.7(a) or Section 10.2(b) of the Indenture (i) which is recovered from any Bondholder as a result of an Act of Bankruptcy or (ii) such principal or interest being prevented from being paid to Bondholders as the result of the imposition of the automatic stay pursuant to the Bankruptcy Code ("**Bankruptcy-Related Advance**"); and

(e) in the form of __Exhibit F__ if the Trustee does not have sufficient available funds three Business Days following the date on which the Trustee is required to pay the Issuer's Fee to the Issuer ("**Issuer's Fee Advance**").

Any Certificate submitted to Fannie Mae by the Trustee shall have all blanks appropriately completed, applicable boxes checked and shall be signed or authenticated by one who states therein that he or she is an authorized officer of the Trustee.

Neither demands for Advances, nor Advances, may be made under this Credit Enhancement Instrument to pay (i) principal of or interest on any Excluded Bond, (ii) premium that may be payable upon the redemption of any of the Bonds or (iii) interest that may accrue on any of the Bonds on or after the maturity of such Bond.

Fannie Mae may amend the form of any Certificate or delete any of the information, statements and certifications set out in the form of any Certificate to accommodate the sending of such Certificate by a medium pursuant to a Presentation Protocol. No such amendment may (i) require any additional information, statement or certification than that required by such form of certificate attached to this Credit Enhancement Instrument on the date of issuance, (ii) modify the timing for the presentation of such Certificate, and the payment thereof or (iii) require personal delivery with respect to the presentation of any Certificate with respect to which payment is to be made on the same Business Day.

4. **Presentation of Certificates**. Each Certificate must be given to Fannie Mae by:

(a) personal delivery at 3900 Wisconsin Avenue, Washington, D.C. 20016, Attention: Vice President, Multifamily Operations; or

(b) telecopy to phone number (301) 280-2042, immediately followed by telephonic notice to the Director, Multifamily Operations at telephone number (301) 204-8422; or

(c) such other medium as Fannie Mae and the Trustee may agree in a Presentation Protocol from time to time.

A Presentation Protocol may provide that the Trustee may not submit a Certificate by telecopy after a stated date or may only submit Certificates by telecopy after a certain date with the prior written permission of Fannie Mae, in which case subsection (b) shall be automatically deemed amended to that effect.

Fannie Mae will notify the Trustee in writing of any change in address or telecopy number to which all Certificates must be delivered or of any change relating to the person to be called for telephonic notices confirming telecopy communications. Any such written notice shall be effective upon receipt by the Trustee.

5. **Fannie Mae's Engagement**. Upon due receipt by Fannie Mae of a Certificate conforming to the terms and conditions of this Credit Enhancement Instrument, Fannie Mae will honor payment of the amount specified in such Certificate if presented as specified below on or before the earlier of the Credit Enhancement Expiration Date or the Credit Enhancement Termination Date:

(a) If a presentation in respect of a Debt Service Advance, Extraordinary Advance, Issuer's Fee Advance or Bankruptcy-Related Advance is made:

(1) at or prior to 12:00 noon, Eastern time, on a Business Day, Fannie Mae shall pay the amount specified to the Trustee no later than 1:00 p.m., Eastern time, on the second Business Day following such presentation.

(2) after 12:00 noon, Eastern time, on a Business Day, Fannie Mae shall pay the amount specified to the Trustee no later than 1:00 p.m., Eastern time, on the third Business Day following such presentation.

(b) Reserved.

All Advances made under this Credit Enhancement Instrument will be made with Fannie Mae's own funds in immediately available funds.

6. **Nonconforming Tender**. If a demand for payment under this Credit Enhancement Instrument made by the Trustee does not conform to the terms and conditions of this Credit Enhancement Instrument, Fannie Mae will notify the Trustee of such lack of conformity within a reasonable time after delivery of such demand for payment, such notice to be promptly confirmed in writing to the Trustee, and Fannie Mae shall hold all documents at the Trustee's disposal or, at the Trustee's option, return the same to the Trustee.

7. **Expiration and Termination**.

(a) **Expiration.** Subject to subparagraphs (c) and (d), this Credit Enhancement Instrument shall expire at 4:00 p.m. Eastern time on December 20, 2031("**Credit Enhancement Expiration Date**").

(b) **Termination Before Credit Enhancement Expiration Date**. Subject to subparagraphs (c) and (d), this Credit Enhancement Instrument shall automatically terminate prior to the Credit Enhancement Expiration Date on the first to occur of: (i) the honoring by Fannie Mae of an Advance which automatically and permanently reduces the Principal Portion to zero, (ii) Reserved; and (iii) Fannie Mae's receipt of a Certificate in the form of Exhibit G (which shall be conclusive evidence of the matters set forth therein). The date determined in the preceding sentence is the "**Credit Enhancement Termination Date**."

(c) **Business Day Convention.** In the event that any date on which the Credit Enhancement Expiration Date or the Credit Enhancement Termination Date would otherwise occur is not a Business Day, this Credit Enhancement Instrument shall continue in effect and shall not expire or terminate until 4:00 p.m. Eastern time on the next Business Day.

(d) **Continuation.** Notwithstanding the provisions of subsections (a), (b) and (c), this Credit Enhancement Instrument shall continue in effect beyond the Credit Enhancement Expiration Date and any earlier Credit Enhancement Termination Date solely with respect to Fannie Mae's obligations to make a Bankruptcy-Related Advance with respect to any payment of principal of or interest on the Bonds within ninety-one days prior to an Act of Bankruptcy. Fannie Mae shall not be obligated to make any Bankruptcy-Related Advance with respect to any Excluded Bond or with respect to any redemption premium on any of the Bonds. This Credit Enhancement Instrument shall continue until the earlier of the date on which Fannie Mae pays to the Trustee the amount recovered pursuant to a bankruptcy proceeding or the date on which all applicable statutes of limitations expire without a claim having been filed (or if any claim is filed prior to such expiration, the latter of the date on which such claim is denied with prejudice by a final order which is no longer subject to appeal or the date on which such claim is paid by Fannie Mae).

(e) **Delivery**. The Trustee shall deliver this Credit Enhancement Instrument to Fannie Mae for cancellation immediately upon the date upon which Fannie Mae's obligations under this Credit Enhancement Instrument cease pursuant to the terms of Section 7(d).

8. Reduction and Reinstatement of Amount Available. The Amount Available shall be reduced automatically by the amount of each Advance paid by Fannie Mae, notwithstanding any act or omission, whether authorized or unauthorized, of the Trustee or any officer, director, employee or agent of the Trustee in connection with any Advance or the proceeds of such Advance or otherwise in connection with this Credit Enhancement Instrument. Each reduction shall be permanent or subject to reinstatement as provided in this Section.

(a) **Permanent Reductions**.

(1) Permanent Reduction of Principal Portion on Account of Borrower Payment. The Principal Portion will be reduced automatically and permanently 91 days after the day that any principal of any Bond or the principal component of the redemption price of any Bond is paid to any Bondholder; provided, however, that no Act of Bankruptcy has occurred within such 91 day period. The amount of such reduction shall be the principal amount of such payment, or, if applicable, the principal component of such redemption price. For purposes of this subsection, a payment of principal shall be deemed to have been made on the later to occur of:

(A) the day any principal of any Bond or the principal component of the redemption price of any Bond is due to be paid to any Bondholder pursuant to the Indenture; and

(B) the day the Trustee has the full amount of funds available under the Indenture to make such payment;

without regard to whether any Bondholder actually presents a Bond for payment and consequently receives payment on such day or any later day.

(2) Permanent Reduction of Principal Portion by Principal Component of each Scheduled Advance, Extraordinary Advance and Bankruptcy-Related Advance. The Principal Portion will be reduced automatically and permanently by the Principal Component of each Debt Service Advance, Extraordinary Advance and Bankruptcy-Related Advance.

(3) Permanent Reduction of Interest Portion on Account of Permanent Reduction of Principal Portion. The Interest Portion will be reduced automatically and permanently by an amount equal to 183 days of interest (calculated at the per annum rate equal to the Interest Rate on the basis of a year of 360 days consisting of twelve 30-day months) on the amount of the related permanent reduction of the Principal Portion pursuant to paragraphs (1) and (2).

(4) Permanent Reduction on Notice from the Trustee. The Amount Available shall be reduced automatically and permanently by the amounts specified in any Certificate in the form of Exhibit H which is delivered to Fannie Mae. Such reduction shall be applied to the Principal Portion, the Interest Portion, and the Issuer's Fee Portion as set out in the Certificate.

(5) Permanent Reduction of Issuer's Fee Portion for each Issuer's Fee Advance. The Issuer's Fee Portion will be reduced automatically and permanently in an amount equal to one-half of the applicable Issuer's Fee percentage multiplied by the amount of the related permanent reduction of the Principal Portion pursuant to paragraphs (1) and (2).

(b) Reserved.

(c) **Reinstatements**.

(1) Reinstatement of Interest Portion for Debt Service Advances. Except to the extent of any permanent reduction of the Interest Portion under subsection (a)(3), the amount by which the Interest Portion was reduced by the Interest Component of any Debt Service Advance shall be reinstated immediately and automatically.

(2) Reinstatement of Interest Portion for Bankruptcy-Related Advances**.** Except to the extent of any permanent reduction of the Interest Portion under subsection (a)(3), the amount by which the Interest Portion was reduced by the Interest Component of any Bankruptcy-Related Advance shall be reinstated immediately and automatically, provided, however, that:

(A) no such reinstatement shall occur if the Principal Portion of the Bankruptcy-Related Advance was in an amount equal to or greater than an amount equal to (i) the original principal of the Bonds less (ii) the sum of (a) the unpaid principal amount of all Excluded Bonds, (b) all principal paid to Bondholders on the Bonds at any time prior to ninety-one days prior to an Act of Bankruptcy and (c) the aggregate principal paid on the Bonds from the proceeds of all Advances made by Fannie Mae pursuant to this Credit Enhancement Instrument from the date which is ninety-one days prior to an Act of Bankruptcy to the date of the Bankruptcy-Related Advance related to the reinstatement;

(B) If, on or before the date of the Bankruptcy-Related Advance, the Bonds have been accelerated pursuant to Section 10.2 of the Indenture, the reinstated Interest Portion shall not exceed an amount necessary to pay all interest which will accrue on the Bonds (other than Excluded Bonds) from, and including, the date of the Bankruptcy-Related Advance to the acceleration date; and

(C) If, on or before the date of the Bankruptcy-Related Advance, the Bonds have been called for redemption pursuant to Section 3.3(b) of the Indenture, the reinstated Interest Portion shall not exceed an amount necessary to pay all interest which will accrue on the Bonds (other than Excluded Bonds) from, and including, the date of the Bankruptcy-Related Advance to the date on which the Bonds are scheduled to be redeemed.

(3) Reserved.

(4) Reinstatement of Extraordinary Advance with respect to a Purchase in Lieu of Redemption. The Principal Portion and the Interest Portion shall be reinstated after an Extraordinary Advance with respect to a Purchase in Lieu of Redemption upon receipt by Fannie Mae of money equal to the amount by which the Trustee requests Fannie Mae to increase the Principal Portion and the Interest Portion in a Certificate of Reinstatement in the form of Exhibit I.

(5) Reinstatement of Issuer's Fee Advance. Except for a permanent reduction of the Issuer's Fee Portion under subsection (a)(5), the amount of the Issuer's Fee Portion reduced by an Issuer's Fee Advance shall be reinstated immediately and automatically.

Upon any permanent reduction of the Amount Available, Fannie Mae may deliver to the Trustee a substitute Credit Enhancement Instrument in exchange for this Credit Enhancement Instrument, in an amount available equal to the then current Amount Available, but otherwise having terms identical to this Credit Enhancement Instrument.

9. Discharge of Obligations. Only the Trustee may demand an Advance under this Credit Enhancement Instrument. Upon payment to the Trustee of the amount specified in any Certificate presented under this Credit Enhancement Instrument, Fannie Mae shall be fully discharged of its obligation under this Credit Enhancement Instrument with respect to such Certificate and Fannie Mae shall not thereafter be obligated to make any further payment to the Trustee or any other person (including the Issuer, with respect to payment of the Issuer's Fee) in respect of such Certificate for payment of principal of, purchase price of, or interest on any Bond, or payment of the Issuer's Fee.

10. Nature of Fannie Mae's Obligations. Fannie Mae's obligation to make Advances to the Trustee upon the proper presentation of documents which conform to the terms and conditions of this Credit Enhancement Instrument is absolute, unconditional and irrevocable, shall be fulfilled strictly in accordance with this Credit Enhancement Instrument, and shall not be affected by any right of set-off, recoupment or counterclaim Fannie Mae might otherwise have against the Issuer, the Trustee, the Borrower, the Loan Servicer or any other person.

Fannie Mae's obligations under this Credit Enhancement Instrument are primary obligations and shall not be affected by the performance or non-performance by the Issuer under the Indenture or the Bonds or by the Borrower under the Note or the Reimbursement Agreement or by the performance or non-performance of any party under any other agreement between or among any of the Issuer, the Trustee, the Borrower or Fannie Mae.

11. **Transfer**. This Credit Enhancement Instrument may be successively transferred in whole only, to each successor Trustee under the Indenture. Any such transfer shall be effective upon receipt by Fannie Mae of a signed copy of the instrument effecting such transfer signed by the transferor and by the transferee in the form attached as Exhibit J (which shall be conclusive evidence of such transfer). In each such case, the transferee instead of the transferor shall, without the necessity of further action, be entitled to all the benefits of and rights under this Credit Enhancement Instrument in the transferor's place.

12. **Notices and Deliveries**. All documents, notices and other communications, other than Certificates, shall be in writing and personally delivered to Fannie Mae at the address (and to the attention of the party) set out in Section 4(a) or may be sent to Fannie Mae by telecopy immediately followed by telephonic notice as set out in Section 4(b), as such address, telephone and telecopy numbers and parties to whom such notices are sent are changed by Fannie Mae pursuant to Section 4.

13. **Governing Law.** This Credit Enhancement Instrument shall be governed by the laws of the District of Columbia, including the Uniform Commercial Code as in effect in the District of Columbia.

14. **Entire Credit Enhancement Instrument.** This Credit Enhancement Instrument sets forth in full the terms of Fannie Mae's undertaking and shall not in any way be amended, amplified or limited by reference to any document, instrument or agreement referred to in this Credit Enhancement Instrument (including, without limitation, the Bonds) or in which this Credit Enhancement Instrument is referred to or to which this Credit Enhancement Instrument relates, except for (i) the Exhibits referred to in this Credit Enhancement Instrument and (ii) any Presentation Protocol, all of which shall be deemed fully incorporated into this Credit Enhancement Instrument as if fully set forth herein.

FANNIE MAE

By: __________________________
Name: Lynwood Brewer
Title: Vice President

Exhibit A

<u>Reserved.</u>

Exhibit B

CERTIFICATE FOR "DEBT SERVICE ADVANCE"

STAND-BY

Fannie Mae
3900 Wisconsin Avenue, N.W.
Washington, D.C. 20016

Attention: Director, Multifamily Operations

Re: Credit Enhancement Instrument relating to Loan No. _____ ("**Credit Enhancement Instrument**")

$27,590,000 Community Development Administration Maryland Department of Housing and Community Development Multifamily Development Revenue Bonds (Marlborough Apartments) Series 2014 I

The undersigned, a duly authorized officer of the Trustee named below ("**Trustee**"), certifies to Fannie Mae, with reference to the stand-by Credit Enhancement Instrument, that:

1. The Trustee is the Trustee under the Indenture for the holders of the Bonds.

2. The Trustee demands a Debt Service Advance under the Credit Enhancement Instrument in the amount of $_________ (of which (i) $________ is the Principal Component and (ii) $________ is the Interest Component). The amount requested by this Paragraph is the total deficiency amount (item (i) on of "Total" line in Paragraph 4 below) calculated pursuant to Paragraph 4. The Debt Service Advance is payable on **[insert applicable date]** ("**Payment Date**").

3. Please pay the amount demanded by this Certificate to the Trustee at ______**[specify account]**.

4. The following reconciles the amount demanded pursuant to Paragraph 2 with the principal or the principal component of the redemption price of a mandatory sinking fund redemption due on the Bonds (other than Excluded Bonds) and the accrued interest or interest component of the redemption price of a mandatory sinking fund redemption to be paid on the Bonds (other than Excluded Bonds) on the Payment Date and the amounts actually held by the Trustee under the Indenture for these payments as of three Business Days prior to the Payment Date:

	Amounts Required For Bond Payment:	Amounts Held:	Deficiency:
Principal:	(a) $	(b) $	(c) $
Accrued Interest:	(d) $	(e) $	(f) $
Total:	(g) $	(h) $	(i) $

5. The amount of the drawing made by this Certificate was computed in compliance with the Indenture and the Credit Enhancement Instrument and, when added to the amount of any other drawing under the Credit Enhancement Instrument made simultaneously with this Certificate, does not exceed the Amount Available of the Credit Enhancement Instrument.

6. Upon receipt by the Trustee of the Advance, (i) the Trustee will apply the same directly for the purpose specified in Paragraph 2, and (ii) no portion of said amount shall be applied by the Trustee for any purpose other than as set forth in paragraph 2. The proceeds of the Advance demanded by this Certificate will not be applied to any payment on any Excluded Bonds.

7. Upon the payment referred to in paragraph 2, the aggregate principal amount of all Bonds outstanding will be $_________.

8. Upon the payment referred to in Paragraph 2 the Amount Available will be $_________, of which:

(a) $_________ will be the Principal Portion;

(b) $_________ will be the Interest Portion; and

(c) $_________ will be the Issuer's Fee Portion.

9. The aggregate principal amount of all Excluded Bonds outstanding is $_________.

Any capitalized, but undefined, term used in this Certificate is used as defined in the Credit Enhancement Instrument.

IN WITNESS WHEREOF, the Trustee has executed and delivered this Certificate as of the ____ day of _________, ____.

____
as Trustee

By:_______________________________
Authorized Officer

Exhibit C

CERTIFICATE FOR "EXTRAORDINARY ADVANCE"

STAND-BY

Fannie Mae
3900 Wisconsin Avenue, N.W.
Washington, D.C. 20016

Attention: Director, Multifamily Operations

Re: Credit Enhancement Instrument relating to Loan No. _____ ("**Credit Enhancement Instrument**")

$27,590,000 Community Development Administration Maryland Department of Housing and Community Development Multifamily Development Revenue Bonds (Marlborough Apartments) Series 2014 I

The undersigned, a duly authorized officer of the Trustee named below ("**Trustee**"), certifies to Fannie Mae, with reference to the Credit Enhancement Instrument, that:

1. The Trustee is the Trustee under the Indenture for the holders of the Bonds.

2. The Trustee demands an Extraordinary Advance under the Credit Enhancement Instrument in the amount of $_________ (of which (i) $________ is the Principal Component and (ii) $________ is the Interest Component).

3. Please pay the amount demanded by this Certificate to the Trustee at ______**[specify account]**.

4. This Certificate is being given because (check applicable box):

☐(a) Payment of the Bonds has been accelerated in accordance with and as permitted by the Indenture.

☐(b) The Bonds are to be redeemed pursuant to Section 3.3(a) of the Indenture due to a casualty or condemnation.

☐(c) The Bonds are to be redeemed pursuant to Section 3.3(b) of the Indenture at the direction of the Credit Provider following an Event of Default under the Reimbursement Agreement.

☐(d) The Bonds are to be Purchased in Lieu of Redemption pursuant to Section 10.2(b) of the Indenture at the direction of the Credit Provider following an Event of Default under the Reimbursement Agreement.

5. The amount of the requested Advance under Paragraph 2, (check applicable box):

☐(a) Is sufficient and does not exceed the amount necessary, after taking into account moneys, if any, on deposit in the Funds and Accounts (other than the Rebate Fund, the Costs of Issuance Fund and the Fees Account) under the Indenture to provide for payment of the outstanding principal balance of the Bonds, plus accrued interest on the Bonds to the date of the Trustee's declaration of acceleration of the Bonds.

□(b) Is sufficient and does not exceed the amount necessary, after taking into account:

(1) the amount of insurance or condemnation proceeds, as applicable, applied to the prepayment of the Note (which amount is $___________);

(2) moneys, if any, on deposit in the Funds and Accounts (other than the Rebate Fund, the Costs of Issuance Fund and the Fees Account) under the Indenture to be applied, at the direction of Fannie Mae, to the payment of the Bonds (which amount is $______________); and

(3) funds provided by the Borrower pursuant to the Financing Agreement (which amount is $____________);

to provide for payment of the outstanding principal balance of the Bonds, plus accrued interest on the Bonds to the date of the redemption or purchase of the Bonds, as applicable.

□(c) Is sufficient and does exceed the amount necessary, after taking into account, at the direction of Fannie Mae, moneys, if any, on deposit in the Funds and Accounts (other than the Rebate Fund, the Costs of Issuance Fund and the Fees Account) under the Indenture (which amount is $________________), to provide, with respect to a mandatory redemption of the Bonds in whole under Section 3.3(b) of the Indenture or a Purchase in Lieu of Redemption pursuant to Section 10.2(b) of the Indenture, for payment of the outstanding principal balance of the Bonds, plus accrued interest on the Bonds to the date of the redemption or purchase of the Bonds, as applicable.

6. The amount of the drawing made by this Certificate was computed in compliance with the Indenture and the Credit Enhancement Instrument and, when added to the amount of any other drawing under the Credit Enhancement Instrument made simultaneously with this Certificate, does not exceed the Amount Available of the Credit Enhancement Instrument.

7. Upon receipt by the Trustee of the Advance, (i) the Trustee will apply the same directly for the purpose specified in Paragraph 2, and (ii) no portion of said amount shall be applied by the Trustee for any purpose other than as set forth in paragraph 2. The proceeds of the Advance demanded by this Certificate will not be applied to any payment on any Excluded Bonds.

8. Upon the payment referred to in paragraph 2, the aggregate principal amount of all Bonds outstanding will be $_________.

9. Upon the payment referred to in Paragraph 2 the Amount Available will be $_________, of which:

(a) $_________ will be the Principal Portion;

(b) $_________ will be the Interest Portion; and

(c) $_________ will be the Issuer's Fee Portion (computed as provided in Section 8(a)(5) of the Credit Enhancement Instrument).

10. The aggregate principal amount of all Excluded Bonds outstanding is $_________.

Any capitalized, but undefined, term used in this Certificate is used as defined in the Credit Enhancement Instrument.

IN WITNESS WHEREOF, the Trustee has executed and delivered this Certificate as of the ____ day of _________, ____.

____
as Trustee

By:_______________________________
Authorized Officer

Exhibit D

Reserved

Exhibit E

CERTIFICATE FOR "BANKRUPTCY-RELATED ADVANCE"

STAND-BY

Fannie Mae
3900 Wisconsin Avenue, N.W.
Washington, D.C. 20016

Attention: Director, Multifamily Operations

Re: Credit Enhancement Instrument relating to Loan No. _____ ("**Credit Enhancement Instrument**")

$27,590,000 Community Development Administration Maryland Department of Housing and Community Development Multifamily Development Revenue Bonds (Marlborough Apartments) Series 2014 I

The Trustee named below ("**Trustee**"), by the undersigned, a duly Authorized Officer of the Trustee, certifies to Fannie Mae, with reference to the Fannie Mae Credit Facility (Stand-By) relating to Mortgage Loan No. ________ ("**Credit Facility**"), that:

1. The Trustee is the Trustee under the Indenture for the holders of the Bonds.

2. The Trustee demands a Bankruptcy-Related Advance under the Credit Enhancement Instrument in the amount of $_________ (of which (i) $________ is the Principal Component under the Principal Portion and (ii) $________ is the Interest Component under the Bankruptcy-Related Interest Portion). The Bankruptcy-Related Advance is payable on **[insert applicable date]** ("**Payment Date**").

3. Please pay the amount demanded by this Certificate to the Trustee at ______**[specify account]**.

4. Check applicable box:

☐(a) A payment was made with monies held under the Indenture to pay the principal of or interest on the Bonds.

☐(b) The Borrower made an optional prepayment under the Note which resulted in an optional redemption of Bonds pursuant to Section 3.2 of the Indenture, or a Purchase in Lieu of Redemption pursuant to Section 3.7(a) of the Indenture.

☐(c) A payment was made to pay the purchase price of Bonds at Fannie Mae's direction pursuant to Section 10.2(b) of the Indenture.

5. Either (check applicable box):

☐(a) One or more payments received by the Bondholders, as described in Paragraph 4 above, have been recovered from Bondholders pursuant to Sections 547, 549 or 550 of the Bankruptcy Code (or pursuant to any successor provisions of law) pursuant to a final nonappealable order of a court of competent jurisdiction in any proceeding instituted under such Bankruptcy Code.

☐(b) The Trustee has been prevented from using moneys on deposit under the Indenture to pay an amount due to Bondholders pursuant to the terms of the Indenture as a result of the imposition of the automatic stay by a bankruptcy court under Section 362 of the Bankruptcy Code (or pursuant to any successor provision of law).

6. Check applicable box:

☐(a) the amount of principal of Bonds that has been recovered from Bondholders is $____________, and the amount of interest on Bonds that has been recovered is $____________, and the total amount of the requested Advance referred to in Paragraph 4 does not exceed such amount.

☐(b) The amount of principal of the Bonds that is subject to the automatic stay is $___________, and the amount of interest on Bonds that is subject to the automatic stay is $_____________, and the total amount of the requested Advance referred to in Paragraph 4 does not exceed such amount.

7. The amount of the requested Advance does not exceed the Principal Portion of the Amount Available or the Interest Portion of the Amount Available, respectively, on the date of this Certificate.

8. The amount of the drawing made by this Certificate was computed in compliance with the Indenture and the Credit Enhancement Instrument and, when added to the amount of any other drawing under the Credit Enhancement Instrument made simultaneously with this Certificate, does not exceed the Amount Available of the Credit Enhancement Instrument.

9. Upon receipt by the Trustee of the Advance, (i) the Trustee will apply the same directly for the purpose specified in Paragraph 2, and (ii) no portion of said amount shall be applied by the Trustee for any purpose other than as set forth in paragraph 2. The proceeds of the Advance demanded by this Certificate will not be applied to any payment on any Excluded Bonds.

10. Upon the payment referred to in paragraph 2, the aggregate principal amount of all Bonds outstanding will be $_________.

11. Upon the payment referred to in Paragraph 2, the Amount Available will be $_________, of which:

(a) $_________ will be the Principal Portion;

(b) $_________ will be the Interest Portion (subject to reinstatement); and

(c) $_________ will be the Issuer's Fee Portion (computed as provided in Section 8(a)(5) of the Credit Enhancement Instrument).

12. The aggregate principal amount of all Excluded Bonds outstanding is $_________.

Any capitalized, but undefined, term used in this Certificate is used as defined in the Credit Enhancement Instrument.

The Trustee has executed and delivered this Certificate on ______________.

____
as Trustee

By:__________________________
Authorized Officer

Exhibit F

CERTIFICATE FOR "ISSUER'S FEE ADVANCE"

STAND-BY

Fannie Mae
3900 Wisconsin Avenue, N.W.
Washington, D.C. 20016

Attention: Director, Multifamily Operations

Re: Credit Enhancement Instrument relating to Loan No. _____ ("**Credit Enhancement Instrument**")

$27,590,000 Community Development Administration Maryland Department of Housing and Community Development Multifamily Development Revenue Bonds (Marlborough Apartments) Series 2014 I

The undersigned, a duly authorized officer of the Trustee named below ("**Trustee**"), certifies to Fannie Mae, with reference to the Credit Enhancement Instrument, that:

1. The Trustee is the Trustee under the Indenture for the holders of the Bonds.

2. The Borrower has failed to pay the Issuer's Fee by **[date of annual, quarterly or monthly payment]**.

3. The Trustee demands an Advance in the amount of $_________ under the Issuer's Fee Portion of the Amount Available to be used to pay the Issuer's Fee.

4. The amount of the Advance demanded (i) does not exceed the Issuer's Fee Portion of the Amount Available and (ii) was computed in accordance with the terms and conditions of the Financing Agreement dated as of December 1, 2014 among the Issuer**,** the Trustee and the Borrower.

5. Upon receipt by the Trustee of the Advance (i) the Trustee will apply the same directly for the purpose specified in paragraph 3 and (ii) no portion of said amount shall be applied by the Trustee for any purpose other than as set forth in paragraph 3.

6. Payment of the amount referred to in paragraph 3 shall be made to the Trustee at (specify account).

Any capitalized, but undefined, term used in this Certificate is used as defined in the Credit Enhancement Instrument.

IN WITNESS WHEREOF, the Trustee has executed and delivered this Certificate as of the ___ day of _________, ____.

_______________________________________,
as Trustee

By:_____________________________________
Authorized Officer

Exhibit G

NOTICE OF TERMINATION

Fannie Mae
3900 Wisconsin Avenue, N.W.
Washington, D.C. 20016
Attention: Director, Multifamily Operations

Re: Credit Enhancement Instrument relating to Loan No. _____ ("**Credit Enhancement Instrument**")

$27,590,000 Community Development Administration Maryland Department of Housing and Community Development Multifamily Development Revenue Bonds (Marlborough Apartments) Series 2014 I

The undersigned, a duly authorized officer of the undersigned Trustee ("**Trustee**"), certifies to Fannie Mae, with respect to the Credit Enhancement Instrument, that the Trustee is authorized to file this notice pursuant to the Indenture. Any capitalized, but undefined, term used in this Certificate is used as defined in the Credit Enhancement Instrument.

The undersigned certifies to Fannie Mae that none of the Bonds are Outstanding under the Indenture.

Pursuant to the Indenture we enclose the Credit Enhancement Instrument for cancellation.

Very truly yours,

____
as Trustee

By:________________________________
Authorized Officer

Dated: _____________

Exhibit H

CERTIFICATE OF REDUCTION

Fannie Mae
3900 Wisconsin Avenue, N.W.
Washington, D.C. 20016

Attention: Director, Multifamily Operations

Re: Credit Enhancement Instrument relating to Loan No. _____ ("**Credit Enhancement Instrument**")

$27,590,000 Community Development Administration Maryland Department of Housing and Community Development Multifamily Development Revenue Bonds (Marlborough Apartments) Series 2014 I

The undersigned, a duly authorized officer of the Trustee named below ("**Trustee**"), certifies to Fannie Mae, with reference to the Credit Enhancement Instrument, as follows:

1. The Trustee is the Trustee under the Indenture for the holders of the Bonds.

2. The aggregate principal amount of Bonds outstanding has been reduced to $_________.

3. Effective on **[insert date]**:

(a) the Amount Available will be $_________, of which:

(1) $_________ will be the Principal Portion;

(2) $_________ will be the Interest Portion; and

(3) $_________ will be the Issuer's Fee Portion (computed as provided in Section 8(a)(5) of the Credit Enhancement Instrument).

(b) the Amount Available will be not less than the aggregate unpaid principal amount of the Bonds Outstanding (as that term is defined in the Indenture).

By its execution hereof, Marlborough Revitalization 2013, LP ("Borrower") certifies to Fannie Mae that the Trustee is authorized to deliver this Certificate to Fannie Mae. The Borrower and the Trustee further certify that the amounts specified in paragraph 3 have been determined in accordance with the terms and conditions of the Indenture and the Reimbursement Agreement.

Any capitalized, but undefined, term used in this Certificate is used as defined in the Credit Enhancement Instrument.

IN WITNESS WHEREOF, the Trustee and the Borrower have executed and delivered this Certificate as of the ___ day of _________, ____.

__________________________________,
as Trustee

By: _______________________________
Authorized Officer

MARLBOROUGH REVITALIZATION 2013, LP, a Maryland limited partnership

By: Marlborough Revitalization GP, Inc., a Maryland corporation, its general partner

By:_________________________________
Name:
Title:

Exhibit I

CERTIFICATE OF REINSTATEMENT

Fannie Mae
3900 Wisconsin Avenue, N.W.
Washington, D.C. 20016
Attention: Director, Multifamily Operations

Re: Credit Enhancement Instrument relating to Loan No. _____ ("Credit Enhancement Instrument")

$27,590,000 Community Development Administration Maryland Department of Housing and Community Development Multifamily Development Revenue Bonds (Marlborough Apartments) Series 2014 I

The undersigned, a duly authorized officer of the Trustee named below ("Trustee"), certifies to Fannie Mae, with reference to the Credit Enhancement Instrument, as follows:

1. The Trustee is the Trustee under the Indenture for the holders of the Bonds.

2. The Trustee has received notification from Fannie Mae that Bonds which were acquired with the proceeds of an Extraordinary Advance under the Credit Enhancement Instrument in connection with a Purchase in Lieu of Redemption are to be remarketed or sold. The Trustee has received and is transferring to Fannie Mae the amount set forth in paragraph 3.

3. Upon receipt by Fannie Mae of this certificate and $_________, the Amount Available will be increased as follows:

(a) the Principal Portion of the Amount Available will be increased by $_________, but such increase shall not cause the Principal Portion to exceed the original Principal Portion less the sum of (i) the aggregate of the Principal Portions of all Debt Service Advances, Extraordinary Advances and Bankruptcy-Related Advances paid by Fannie Mae in accordance with the Credit Enhancement Instrument and (ii) the aggregate of all reductions of the Principal Portion pursuant to any Certificate of the Trustee in the form of Exhibit H; and

(b) the Interest Portion of the Amount Available will be increased by $_________, but such increase shall not cause the Interest Portion to exceed the original Interest Portion less the aggregate of (i) the Interest Portions of all Debt Service Advances, Extraordinary Advances and Bankruptcy-Related Advances paid by Fannie Mae in accordance with the Credit Enhancement Instrument which have not been reinstated in accordance with the Credit Enhancement Instrument, subject to the reinstatement of such amounts as set forth in the Credit Enhancement Instrument, (ii) all reductions of the Interest Portion due to any permanent reduction of the Principal Portion of the Amount Available and (iii) to the extent not addressed in (ii), all reductions of the Interest Portion pursuant to any Certificate of the Trustee in the form of Exhibit H.

4. Fannie Mae shall promptly release or direct the release of Bonds purchased with proceeds of an Extraordinary Advance under the Credit Enhancement Instrument in connection with a Purchase in Lieu of Redemption to the Trustee in a principal amount corresponding to the Principal Portion identified in paragraph 3 or, if such release is not possible, Fannie Mae shall be deemed to consent to the delivery of a

written entitlement order to the applicable financial intermediary on whose records ownership of such purchased Bonds is reflected to credit the ownership entitlement to such Bonds to the account as directed by the Trustee. Such release or deemed consent shall be conclusive evidence of the reinstatement of the Principal Portion and Interest Portion as described in paragraph 3.

Any capitalized, but undefined, term used in this Certificate is used as defined in the Credit Enhancement Instrument.

IN WITNESS WHEREOF, the Trustee has executed and delivered this Certificate as of the ___ day of _________, ____.

____
as Trustee

By: _______________________________
Authorized Officer

Exhibit J

CERTIFICATE FOR SUCCESSOR TRUSTEE

Fannie Mae
3900 Wisconsin Avenue
Washington, D.C. 20016

Attention: Director, Multifamily Operations

Re: Credit Enhancement Instrument relating to Loan No. _____ ("**Credit Enhancement Instrument**")

$27,590,000 Community Development Administration Maryland Department of Housing and Community Development Multifamily Development Revenue Bonds (Marlborough Apartments) Series 2014 I

The undersigned, a duly authorized officer of the Trustee named below ("**Trustee**") under the Indenture for the holders of the Bonds.

The Trustee transfers all rights in the Credit Enhancement Instrument to _________, subject to the terms and conditions of the Credit Enhancement Instrument. The Trustee certifies that the transferee is the successor Trustee under the Indenture referred to in the Credit Enhancement Instrument and such successor Trustee has been approved in writing by Fannie Mae. The transferee acknowledges below that it is the successor Trustee. Such successor Trustee has entered into a written agreement to be bound by the Assignment and Intercreditor Agreement dated _________, ____ by and among Fannie Mae, the Trustee and the Issuer.

By this transfer, all rights of the undersigned Trustee in the Credit Enhancement Instrument are transferred to the transferee and the transferee shall have the sole rights as the beneficiary, including sole rights relating to any amendments, whether increases or extensions or other amendments and whether now existing or hereafter made. All amendments are to be advised direct to the transferee without necessity of any consent of or notice to the undersigned.

Dated:_________________________

____
as Trustee

By: _______________________________
Authorized Officer

The above signature of an officer or other authorized representative conforms to that on file with us. Said officer or representative is authorized to sign for said party.

____

By:________________________________
Authorized Officer

____________________ acknowledges that it is the successor to ________ as Trustee under the Indenture.

____

By:________________________________
Authorized Officer

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX H

FORM OF OPINION OF BOND COUNSEL

[Closing Date]

Community Development Administration
Maryland Department of Housing and
Community Development
100 Community Place
Crownsville, MD 21032

$27,590,000
Community Development Administration
Maryland Department of Housing and Community Development
Multifamily Development Revenue Bonds
(Marlborough Apartments)
Series 2014 I

Ladies and Gentlemen:

We have acted as Bond Counsel to the Community Development Administration (the "Administration"), a unit of the Division of Development Finance of the Department of Housing and Community Development (the "Department"), a principal department of the State of Maryland (the "State"), in connection with the issuance and sale of $27,590,000 aggregate principal amount of its Multifamily Development Revenue Bonds (Marlborough Apartments) Series 2014 I (the "Bonds").

The Bonds are being issued under and pursuant to (1) Sections 4-101 through 4-255 of the Housing and Community Development Article of the Annotated Code of Maryland, as amended (the "Act") and (2) a Trust Indenture dated as of December 1, 2014 (the "Indenture"), by and between the Administration and Manufacturers and Traders Trust Company, as trustee. The Director of the Administration determined, pursuant to Section 4-245(a) of the Act, that the issuance of the Bonds is necessary to achieve one or more purposes of the Administration, and such determination was approved by the Secretary of the Department. Capitalized terms used in this opinion and not otherwise defined in this opinion shall have the meanings set forth in the Indenture or the Act.

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

1) Under the Constitution and laws of the State, the Act is valid and the Administration has been duly created and validly exists as a unit of the Division of Development Finance of the Department with such political and corporate powers as set forth in the Act and with good, right and lawful authority, among other things, to carry out the Program of financing multifamily residential rental facilities, to issue the Bonds to provide funds therefor and to perform its obligations under the terms and conditions of the Indenture.

2) The Indenture has been duly executed by the Administration and approved by the Secretary and is valid and binding upon the Administration and is enforceable in accordance with its terms.

3) The Bonds are valid and legally binding limited obligations of the Administration secured by a pledge in the manner and to the extent set forth in the Indenture and are entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the Indenture. The Indenture creates the valid pledge of and the valid lien which it purports to create upon the Revenues and other assets and income described in the Indenture, subject only to the provisions of the Indenture permitting the use and payment thereof for or to the purposes and on the terms and conditions set forth in the Indenture.

4) Under existing law, interest on the Bonds is excludable 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 Bond for any period during which such Bond is held by a person who is a "substantial user" of the facilities financed with the proceeds of the Bonds or a "related person" within the meaning of Section 147(a) of the Code. Furthermore, interest on the Bonds is not a specific preference item or included in adjusted current earnings for purposes of the federal alternative minimum tax.

5) Under existing statutes, the Bonds, their transfer, the interest payable thereon, and any income derived therefrom, including any profit realized on the sale or exchange thereof, are exempt from taxation of every kind and nature whatsoever by the State of Maryland, except that no opinion is expressed with respect to any exemption from Maryland estate or inheritance taxes.

The foregoing opinion is qualified only to the extent that the enforceability of the Bonds and the Indenture may be limited by bankruptcy, moratorium, insolvency, or other laws affecting creditors' rights or remedies generally and is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

We express no opinion regarding any other Federal or state tax consequences with respect to the Bonds. We render our opinion under existing statutes and court decisions as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any action hereafter taken or not taken, or any facts or circumstances that may hereafter come to our attention, or changes in law or in interpretations thereof that may hereafter occur, or for any other reason.

Very truly yours,

KUTAK ROCK LLP

APPENDIX I

FORM OF CONTINUING DISCLOSURE AGREEMENT

$27,590,000
Community Development Administration
Maryland Department of Housing and Community Development
Multifamily Development Revenue Bonds
(Marlborough Apartments)
Series 2014 I

This Continuing Disclosure Agreement (this "Agreement") dated as of December 1, 2014, by and between Marlborough Revitalization 2013, LP, a Maryland limited partnership (the "Borrower"), and Manufacturers and Traders Trust Company, as dissemination agent (the "Dissemination Agent"), under the Trust Indenture between the Community Development Administration Maryland Department of Housing and Community Development (the "Administration") and Manufacturers and Traders Trust Company, as trustee, dated as of December 1, 2014 (the "Trust Indenture"), is executed and delivered in connection with the issuance by the Administration of its Multifamily Development Revenue Bonds (Marlborough Apartments) Series 2014 I (the "Bonds"). Capitalized terms used in this Agreement which are not otherwise defined in the Trust Indenture shall have the respective meanings specified above or in Article IV hereof.

ARTICLE I

The Undertaking

Section 1.1. Purpose. This Agreement is being executed and delivered by the Borrower solely to assist in compliance with subsection (b)(5) of the Rule.

Section 1.2. Annual Financial Information. (a) The Borrower shall provide Annual Financial Information with respect to each fiscal year of the Borrower, commencing with fiscal year 2015, by no later than five Business Days prior to the date which is three months after the end of the respective fiscal year, to the Dissemination Agent. The Dissemination Agent shall provide such Annual Financial Information to (i) the MSRB and (ii) the Administration, in each case within five Business Days after receipt by the Dissemination Agent.

(b) The Dissemination Agent shall provide, in a timely manner, notice of any failure of the Borrower to provide the Annual Financial Information by the date specified in subsection (a) above to (i) the MSRB and (ii) the Administration.

Section 1.3. Audited Financial Statements. If not provided as part of Annual Financial Information by the date required by Section 1.2(a) hereof because they are not available by the date set forth in Section 1.2(a), the Borrower shall provide Audited Financial Statements, when and if available, to the Dissemination Agent. The Dissemination Agent shall provide any such Audited Financial Statements to (i) the MSRB and (ii) the Administration, in each case within five Business Days after receipt by the Dissemination Agent.

Section 1.4. Listed Event Notices. (a) If a Listed Event occurs, the Borrower shall provide, in a timely manner, not in excess of seven (7) Business Days after the occurrence of such Listed Event, notice of such Listed Event to the Dissemination Agent. The Dissemination Agent shall provide such notice to the MSRB within three Business Days after receipt by the Dissemination Agent of such notice from the Borrower.

(b) Any notice of a defeasance of Bonds provided by the Borrower to the Dissemination Agent shall state whether the Bonds have been escrowed to maturity or to an earlier redemption date and the timing of such maturity or redemption.

Section 1.5. Additional Disclosure Obligations. The Borrower acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Borrower and that, under some circumstances, compliance with this Agreement without additional disclosures or other action may not fully discharge all duties and obligations of the Borrower under such laws.

Section 1.6. Additional Information. Nothing in this Agreement shall be deemed to prevent the Borrower from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information or notice of Listed Event hereunder, in addition to that which is required by this Agreement. If the Borrower chooses to include any information in any Annual Financial Information or Listed Event Notice in addition to that which is specifically required by this Agreement, the Borrower shall have no obligation under this Agreement to update such additional information or include it in any future Annual Financial Information or notice of a Listed Event hereunder.

Section 1.7. No Previous Non-Compliance. The Borrower represents that in the previous five years it has not failed to comply in any material respect with any previous undertaking in a written contract or agreement specified in paragraph (b)(5)(i) of the Rule.

ARTICLE II

Operating Rules

Section 2.1. Reference to Other Documents. It shall be sufficient for purposes of Section 1.2 hereof if the Borrower provides Annual Financial Information by specific reference to documents (i) that have been submitted to the MSRB or filed with the SEC, or (ii) if such document is a "final official statement" as defined in paragraph (f)(3) of the Rule, available from the MSRB.

Section 2.2. Submission of Information. Annual Financial Information may be provided in one document or multiple documents, and at one time or in part from time to time. All Annual Financial Information, Audited Financial Statements and Listed Event notices provided to the Dissemination Agent by the Borrower shall be in an electronic format and accompanied by identifying information as prescribed by the MSRB and any such information that is not provided in such format shall not be deemed to be received by the Dissemination Agent hereunder.

Section 2.3. Listed Event Notices. Each notice of a Listed Event provided by the Borrower to the Dissemination Agent hereunder shall indicate that it is a notice of a Listed Event and shall include the CUSIP number of the Bonds.

Section 2.4. Resignation and Removal of Dissemination Agent. The Borrower may, from time to time, remove the Dissemination Agent and appoint or engage a new dissemination agent to assist it in carrying out its obligations under this Disclosure Agreement. The Dissemination Agent may resign by giving 30 days' notice of such resignation to the Borrower and the Administration.

Section 2.5. Transmission of Information and Notices. Unless otherwise required by law and, in the Dissemination Agent's sole determination, subject to technical and economic feasibility, the Dissemination Agent shall employ such methods of information and notice transmission under this Agreement as shall be required by the MSRB or the Administration.

Section 2.6. Fiscal Year. (a) The Borrower's fiscal year currently ends each December 31, and the Borrower shall promptly notify the Dissemination Agent in writing of each change in its fiscal year. The Dissemination Agent shall provide such notice to (i) the MSRB and (ii) the Administration, in each case within five Business Days after receipt by the Dissemination Agent of such notice.

(b) Annual Financial Information shall be provided by the Borrower to the Dissemination Agent at least annually notwithstanding any fiscal year longer than 12 calendar months.

Section 2.7. Direction by Borrower. The execution and delivery of this Agreement by the Borrower shall constitute a direction by the Borrower to the Dissemination Agent to provide the Annual Financial Information, Audited Financial Statement and Listed Events notices to the MSRB and the Administration as set forth herein and the Borrower hereby consents thereto.

ARTICLE III

Effective Date, Termination, Amendment and Enforcement

Section 3.1. Effective Date; Termination.

(a) This Agreement shall be effective upon the issuance of the Bonds.

(b) The Borrower's and the Dissemination Agent's obligations under this Agreement shall terminate upon a legal defeasance, prior redemption or payment in full of all of the Bonds.

(c) This Agreement, or any provision hereof, shall be null and void in the event that (1) the Borrower delivers to the Dissemination Agent an opinion of Counsel, addressed to the Administration and the Dissemination Agent, to the effect that those portions of the Rule which require this Agreement, or such provision, as the case may be, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion, and (2) the Dissemination Agent delivers copies of such opinion to (i) the MSRB and (ii) the Administration. The Dissemination Agent shall so deliver such opinion within two Business Days after receipt by the Dissemination Agent.

Section 3.2. Amendment.

(a) This Agreement may be amended, by written agreement of the parties, without the consent of the holders of the Bonds (except to the extent required under clause (4)(ii) below), if all of the following conditions are satisfied: (1) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the Borrower or the type of business conducted thereby, (2) this Agreement as so amended would have complied with the requirements of the Rule as of the date of this Agreement, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (3) the Borrower shall have delivered to the Dissemination Agent an opinion of Counsel, addressed to the Borrower and the Dissemination Agent, to the same effect as set forth in clause (2) above, (4) either (i) the Borrower shall have delivered to the Dissemination Agent an opinion of Counsel or a determination by a person, in each case unaffiliated with the Borrower (such as bond counsel) and acceptable to the Borrower, as the case may be, addressed to the Borrower, the Administration and the Dissemination Agent, to the effect that the amendment does not materially impair the interests of the holders of the Bonds or (ii) the holders of the Bonds consent to the amendment to this Agreement pursuant to the same procedures as are required for amendments to the Trust Indenture with consent of holders of Bonds pursuant to the Trust Indenture as in effect on the date of this Agreement, and (5) the Dissemination Agent shall have delivered copies of such opinion(s) and amendment to (i) the MSRB and (ii) the Administration. The Dissemination Agent shall so deliver such opinion(s) and amendment within two Business Days after receipt by the Dissemination Agent.

(b) In addition to subsection (a) above, this Agreement may be amended, by written agreement of the parties, without the consent of the holders of the Bonds, if all of the following conditions are satisfied: (1) an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date of this Agreement which is applicable to this Agreement, (2) the Borrower shall have delivered to the Dissemination Agent an opinion of Counsel, addressed to the Borrower, the Administration and the Dissemination Agent, to the effect that performance by the Borrower and Dissemination Agent under this Agreement as so amended will not result in a violation of the Rule and (3) the Dissemination Agent shall have delivered copies of such opinion and amendment to (i) the MSRB and (ii) the Administration. The Dissemination Agent shall so deliver such opinion and amendment within two Business Days after receipt by the Dissemination Agent.

(c) To the extent any amendment to this Agreement results in a change in the type of financial information or operating data provided pursuant to this Agreement, the first Annual Financial Information provided thereafter by the Borrower to the Dissemination Agent shall include a narrative explanation of the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

(d) If an amendment is made pursuant to Section 3.2(a) hereof to the accounting principles to be followed by the Borrower in preparing its financial statements, the Annual Financial Information for the fiscal year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative and, to the extent reasonably feasible, quantitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information.

Section 3.3. Benefit; Third-Party Beneficiaries; Enforcement.

(a) The provisions of this Agreement shall constitute a contract with and inure solely to the benefit of the holders from time to time of the Bonds, except that beneficial owners of Bonds shall be third-party beneficiaries of this Agreement. The provisions of this Agreement shall create no rights in any person or entity except as provided in this subsection (a) and subsection (b) of this Section.

(b) The obligations of the Borrower to comply with the provisions of this Agreement shall be enforceable (i) in the case of enforcement of obligations to provide financial statements, financial information, operating data and notices, by any holder of Outstanding Bonds, or by the Dissemination Agent on behalf of the holders of Outstanding Bonds, or (ii) in the case of challenges to the adequacy of the financial statements, financial information and operating data so provided, by the Dissemination Agent on behalf of the holders of Outstanding Bonds; provided, however, that the Dissemination Agent shall not be required to take any enforcement action except at the direction of the holders of not less than 25% in aggregate principal amount of the Bonds at the time Outstanding who shall have provided the Dissemination Agent with adequate security and indemnity. The holders' and Dissemination Agent's rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance by the Borrower of the Borrower's obligations under this Agreement. In consideration of the third-party beneficiary status of beneficial owners of Bonds pursuant to subsection (a) of this Section, beneficial owners shall be deemed to be holders of Bonds for purposes of this subsection (b).

(c) Any failure by the Borrower or the Dissemination Agent to perform in accordance with this Agreement shall not constitute a default or an Event of Default under the Trust Indenture or the Financing Agreement, and the rights and remedies provided by the Trust Indenture and the Financing Agreement upon the occurrence of a default or an Event of Default shall not apply to any such failure.

(d) This Agreement shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of this Agreement shall be instituted in a court of competent jurisdiction in the State; provided, however, that to the extent this Agreement addresses matters of federal securities laws, including the Rule, this Agreement shall be construed in accordance with such federal securities laws and official interpretations thereof.

ARTICLE IV

Definitions

Section 4.1. Definitions. The following terms used in this Agreement shall have the following respective meanings:

(1) "Annual Financial Information" means, collectively, (i) updated versions of the financial information and operating data contained in the Official Statement, if any, for each fiscal year of the Borrower and (ii) the information regarding amendments to this Agreement required pursuant to Sections 3.2(c) and (d) of this Agreement. Annual Financial Information shall include Audited Financial Statements, if available, or Unaudited Financial Statements.

The descriptions contained in clause (i) above of financial information and operating data constituting Annual Financial Information are of general categories of financial information and operating data. When such descriptions include information that no longer can be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be provided in lieu of such information. Any Annual Financial Information containing modified financial information or operating data shall explain, in narrative form, the reasons for the modification and the impact of the modification on the type of financial information or operating data being provided.

(2) "Audited Financial Statements" means the annual financial statements, if any, of the Borrower, audited by such auditor as shall then be required or permitted by State law or the Trust Indenture. Audited Financial Statements shall be prepared in accordance with GAAP; provided, however, that pursuant to Section 3.2(a) hereof, the Borrower may from time to time, if required by Federal or State legal requirements, modify the accounting principles to be followed in preparing its financial statements. The notice of any such modification required by Section 3.2(a) hereof shall include a reference to the specific Federal or State law or regulation describing such accounting principles, or other description thereof.

(3) "Counsel" means nationally recognized bond counsel or counsel expert in federal securities laws, acceptable to the Borrower and the Dissemination Agent.

(4) "GAAP" means generally accepted accounting principles as prescribed from time to time by the Governmental Accounting Standards Board, the Financial Accounting Standards Board, or any successor to the duties and responsibilities of either of them.

(5) "Listed Event" means any of the following events with respect to the Bonds, whether relating to the Borrower or otherwise:

(i) principal and interest payment delinquencies;

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

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

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

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

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(vii) modifications to rights of Bond holders, if material;

(viii) bond calls, if material, and tender offers;

(ix) defeasances;

(x) release, substitution or sale of property securing repayment of the Bonds, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership or similar event of the Borrower;[1]

(xiii) the consummation of a merger, consolidation or acquisition involving the Borrower or the sale of all or substantially all of the assets of the Borrower, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

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

---

[1] For the purposes of the event identified in clause (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Borrower in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Borrower, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Borrower.

(6) "MSRB" means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the SEC, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at http://emma.msrb.org.

(7) "Official Statement" means the Official Statement of the Borrower relating to the Bonds.

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

(9) "SEC" means the United States Securities and Exchange Commission.

(10) "State" means the State of Maryland.

(11) "Unaudited Financial Statements" means the same as Audited Financial Statements, except that they shall not have been audited.

ARTICLE V

Miscellaneous

Section 5.1. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have no obligation to make disclosure about the Bonds or the Borrower except as expressly provided herein and shall have no duty to review the Annual Financial Information and Listed Event notices provided by the Borrower pursuant to this Agreement to determine if they comply with the requirements of this Agreement; provided that nothing herein shall limit the duties or obligations of the Dissemination Agent, as Trustee, under the Trust Indenture or the duties of the Borrower under the Financing Agreement. The fact that the Dissemination Agent or any affiliate thereof may have any fiduciary or banking relationship with the Borrower, apart from the relationship created by the Trust Indenture or the Financing Agreement, shall not be construed to mean that the Dissemination Agent has actual knowledge of any event or condition except in its capacity as Trustee under the Trust Indenture or except as may be provided by written notice from the Borrower. Nothing in this Agreement shall be construed to mean that the Dissemination Agent is an "obligated person" under the Rule.

(b) In its actions under this Agreement, the Dissemination Agent is acting not as Trustee but as the Borrower's agent; provided that the Dissemination Agent shall be entitled to the same protection in so acting under this Agreement as it has in acting as Trustee under the Trust Indenture.

(c) The Borrower shall pay or reimburse the Dissemination Agent for its actual and reasonable fees and expenses for the Dissemination Agent's services rendered in accordance with this Agreement as provided in the Financing Agreement.

(d) In addition to any and all rights of the Dissemination Agent to reimbursement, indemnification and other rights pursuant to the Trust Indenture or the Financing Agreement or under law or equity, the Borrower shall indemnify and hold harmless the Dissemination Agent and its officers, directors, employees and agents from and against any and all claims, damages, losses, liabilities, reasonable costs and expenses whatsoever (including attorney fees) which such indemnified party may incur by reason of or in connection with the Dissemination Agent's performance under this Agreement; provided that the Borrower shall not be required to indemnify the Dissemination Agent for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by the willful misconduct or gross negligence of the Dissemination Agent in such disclosure of information hereunder. The obligations of the Borrower under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 5.2. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 5.3. No Personal Liability. No member, officer, director or employee of the Borrower, past present or future, shall have any personal liability on the Bonds or under this Agreement or be subject to any personal liability or accountability by reason of the issuance of the Bonds or the undertaking set forth herein under any constitutional provision, statute, or rule of law or by the enforcement of any assessment or penalty or otherwise.

Section 5.4. Notices. Any notices or communications given under this Agreement shall be given in accordance with Section 8.1 of the Financing Agreement.

Section 5.5. Severability. If any provision hereof shall be held invalid or unenforceable by a court of competent jurisdiction, the remaining provisions hereof shall survive and continue in full force and effect.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have each caused this Agreement to be executed by their duly authorized representatives, all as of the date first above written.

MANUFACTURERS AND TRADERS TRUST COMPANY, as Dissemination Agent

By: ____
Name:
Title:

MARLBOROUGH REVITALIZATION 2013, LP
a Maryland limited partnership

By: Marlborough Revitalization GP, Inc.,
a Maryland corporation,
its general partner

By: ___________________________________
Name:
Title:

[THIS PAGE INTENTIONALLY LEFT BLANK]

Community Development Administration, Maryland Department of Housing and Community Development • Multifamily Development Revenue Bonds (Marlborough Apartments) Series 2014 I

Mixed Sources
Product group from well managed forests, controlled sources and recycled wood or fiber.

Printed by: ImageMaster, LLC
www.imagemaster.com