NEW ISSUE
Book Entry Only

In the opinion of Bond Counsel, interest on the Offered Bonds is includable in gross income for federal income tax purposes. In addition,, in the opinion of Bond Counsel, under existing statutes, the Offered 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, except that no opinion is expressed with respect to any exemption from Maryland estate or inheritance taxes. See "TAX MATTERS" herein.

$92,040,000
COMMUNITY DEVELOPMENT ADMINISTRATION
MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
Multi-Family Mortgage Revenue Bonds
Series 2009 A

Dated: December 30, 2009 **(Program Bonds – Taxable)** **Due: July 1, 2051**

The Series 2009 A Bonds (the "Offered Bonds") are issuable only as fully registered bonds and initially will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York, which will act as securities depository for the Offered Bonds. Purchases of the Offered Bonds will be in book entry form only, in principal amounts of $10,000 or any integral multiple of $10,000 in excess thereof.

Interest on the Offered Bonds will be payable until Conversion (as herein defined) as set forth herein, accruing on and after January 12, 2010 and after Conversion semi-annually thereafter on January 1 and July 1 of each year, commencing on the January 1 or July 1 occurring after the Conversion. Interest on the Offered Bonds is payable by Manufacturers and Traders Trust Company, a New York banking corporation with trust powers and having a corporate trust office in Baltimore, Maryland, Trustee and Registrar, to DTC. DTC will remit such payments to participating financial organizations for subsequent disbursement to beneficial owners of the Offered Bonds. Additional information is contained under the caption "THE OFFERED BONDS" herein.

The Offered Bonds are subject to redemption prior to maturity at the times, under the conditions and at the prices set forth under the caption "THE OFFERED BONDS - Redemption Provisions" herein.

The Offered Bonds are special obligations of the Administration, an agency in the Division of Development Finance of the Department of Housing and Community Development, a principal department in the government of the State of Maryland, payable solely from the Revenues and property of the Administration pledged therefor under the Bond Resolution. The Administration has no taxing power. The Offered Bonds do not constitute a debt of the State of Maryland, 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.

This Official Statement is not intended to describe the terms of any Offered Bonds after a Release Date (described herein) pertaining to such Offered Bonds and is intended only to provide disclosure with respect to the Offered Bonds until the respective Release Date. Disclosure with respect to the Offered Bonds subsequent to a Release Date will be provided in offering materials distributed in conjunction with one or more Release Dates for the proceeds of such Offered Bonds.

The Offered Bonds are offered for delivery when, as and if issued, and the delivery of the Offered Bonds is subject to the opinion of Kutak Rock LLP, Washington, D.C., Bond Counsel, as to the validity of the Offered 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. It is expected that the Offered Bonds will be available for delivery to DTC on or about December 30, 2009.

December 18, 2009

No dealer, broker, salesman or other person has been authorized by the Administration to give any information or to make any representations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Offered Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale prior to the registration or qualification under the securities laws of any such jurisdiction. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Administration since the date hereof.

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OFFICIAL STATEMENT

of the
Community Development Administration
Maryland Department of Housing and Community Development

Relating to

$92,040,000
Multi-Family Mortgage Revenue Bonds
Series 2009 A

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and Appendices hereto, is to set forth information in connection with the sale by the Community Development Administration (the "Administration"), an agency in the Division of Development Finance of the Department of Housing and Community Development (the "Department"), a principal department of the government of the State of Maryland (the "State"), of its Multi-Family Mortgage Revenue Bonds, Series 2009 A (the "Offered Bonds").

This Official Statement is not intended to describe the terms of any Offered Bonds after a Release Date (described herein) pertaining to such Offered Bonds and is intended only to provide disclosure with respect to the Offered Bonds until the respective Release Date. Disclosure with respect to the Offered Bonds subsequent to a Release Date will be provided in offering materials distributed in conjunction with one or more Release Dates for the proceeds of such Offered Bonds.

Authorization

The Administration is authorized to issue the Offered 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") and a Resolution Providing for the Issuance of Multi-Family Mortgage Revenue Bonds adopted by the Administration as of December 1, 2009 (the "Bond Resolution"). Manufacturers and Traders Trust Company, a New York banking corporation with trust powers and having a corporate trust office in Baltimore, Maryland, is the trustee (the "Trustee"). The Offered Bonds are issued pursuant to the Bond Resolution as supplemented by a Series Resolution Providing for the Issuance and Sale of Multi-Family Mortgage Revenue Bonds, Series 2009 A, to be adopted by the Administration as of December 1, 2009 (the "Series Resolution"). The Series Resolution and the Bond Resolution are collectively referred to herein as the "Resolutions." The Trustee has not participated in the preparation of this Official Statement.

First Bond Issue Under Bond Resolution

The Offered Bonds are the first Series of Multi-Family Mortgage Revenue Bonds issued by the Administration pursuant to the Bond Resolution. The Offered Bonds, together with any additional bonds issued under the Bond Resolution and secured on a parity basis, are referred to collectively as the "Bonds." The Bond Resolution provides for the issuance of additional Bonds that will be on a parity with the Offered Bonds and will be equally and ratably secured under the Bond Resolution. Any Series of Bonds may be issued in Subseries as may be specified in the Series Resolution authorizing the issuance of such Series of Bonds.

Use of Proceeds of Offered Bonds

The Bond Resolution authorizes the Administration to issue Bonds to provide funds to finance or refinance loans, to refund Bonds or any other bonds, notes or other obligations, whether or not the Administration is the issuer thereof, to pay any Development cost (including, without limitation, capitalized interest and Bond issuance costs), to fund reserves, or to achieve any other of the Administration's purposes. Loans financed under the Bond Resolution are referred to at various times as either the "Loans" or the "Loan" as appropriate. Proceeds of the Loans may be applied to finance multi-family residential rental facilities (the "Developments") within the State which promote sound community development and provide housing for occupancy, in substantial part, by persons or families of limited incomes. The Loans must also meet the requirements set forth in the Resolutions as more fully described under "SECURITY FOR THE BONDS – Loans."

The Offered Bonds. The Offered Bonds are being issued as escrow bonds under the multi-family new issue bond program (the "NIBP Program") announced by the United States Department of the Treasury ("Treasury"), Federal National Mortgage Association ("Fannie Mae") and Federal Home Loan Mortgage Corporation ("Freddie Mac," and together with Fannie Mae, the "GSEs"). The Offered Bonds are being placed with Fannie Mae and Freddie Mac pursuant to the NIBP Program and a Placement Agreement by and among the Administration, Fannie Mae and Freddie Mac dated December 18, 2009 (the "Placement Agreement"). The Offered Bonds will initially bear interest at a Short-Term Rate (as defined herein) and may be converted to fixed interest rates in up to three tranches prior to December 31, 2010, all as described herein. If any portion of the Offered Bonds is not converted to a fixed interest rate by December 31, 2010, such portion will be redeemed on February 1, 2011. See "**THE OFFERED BONDS—Redemption Provisions**."

The proceeds of the Offered Bonds are expected to be used to fund Loans that will finance the acquisition and rehabilitation or construction of Developments for low and moderate income persons and families (the "Series 2009A Developments"); provided, however, that proceeds of the Offered Bonds shall only be used for such financings upon the release of proceeds related to the Offered Bonds (or a portion of the Offered Bonds) from escrow on a Release Date. **Prior to such Release Date, the Offered Bonds will be secured solely by amounts on deposit in the Series 2009 A Escrow Account of the Series 2009 A Account of the Bond Proceeds Fund and investment earnings thereon.** See "**THE OFFERED BONDS—General**" herein.

Security and Sources of Payment

Security for the Bonds. The Bonds are equally and ratably secured by a pledge of and lien on: (1) proceeds of the sale of Bonds (other than proceeds deposited in trust for the retirement of bonds and proceeds of the Offered Bonds deposited in escrow prior to Conversion which are pledged solely as security for the Offered Bonds), (2) the Loans made or purchased from Bond proceeds, (3) revenues from Loans (primarily payments of principal and interest on Loans), (4) Prepayments, Recovery Payments and Acquired Development Receipts, and (5) all moneys, investments and other assets held in Funds and Accounts established by or pursuant to the Bond Resolution and the earnings thereon. The Administration may direct the release of amounts from such Funds and Accounts free and clear of such pledge and security interest after satisfying the then current requirements for all Funds and Accounts and certain other conditions as provided in the Resolutions. See "SECURITY FOR THE BONDS."

Parity Bonds. All Bonds are equally and ratably secured in the manner set forth in the preceding paragraph, and accordingly (i) the Loans will secure the Offered Bonds and any future Series of Bonds and (ii) the Offered Bonds will be secured by the Loans made or purchased with the proceeds of any future Series of Bonds. Correspondingly, the Offered Bonds may be redeemed from Recovery Payments from Loans financed from any Series of Bonds as provided in the Resolutions. See “THE OFFERED BONDS - Redemption Provisions” below.

Debt Service Reserve Fund. Upon the issuance of any Series of Bonds, there will be deposited in the Debt Service Reserve Fund monies or Cash Equivalents in an amount sufficient to satisfy the Debt Service Reserve Requirement. While the proceeds of the Offered Bonds are deposited in the Series 2009 A Escrow Account, satisfaction of the Debt Service Reserve Requirement shall not be required; provided, however, that upon Conversion of all or a portion of the Offered Bonds, a Debt Service Reserve Requirement will be established for the portion of Offered Bonds related to such Conversion. The Debt Service Reserve Requirement for other Series of Bonds, if any, shall be set forth in the Series Resolution authorizing such Series.

Limited Obligation of Administration

The Bonds are special obligations of the Administration payable solely from the Revenues and property of the Administration pledged therefor under the Bond Resolution.

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. In addition, payment of principal, interest and redemption premium, if any, on the Bonds is not guaranteed by the State, the Administration, GNMA, FHA, Fannie Mae or any other party.

Additional Information

Certain capitalized terms used herein are defined in APPENDIX A – “DEFINITIONS FROM THE BOND RESOLUTION.” Capitalized terms not otherwise defined herein are used as defined in the Resolutions.

Brief descriptions of the Offered Bonds and the security for the Offered Bonds are included in this Official Statement. Descriptions of the Department and the Administration can be found in APPENDIX B – THE DEPARTMENT AND THE ADMINISTRATION. Certain provisions of the Bond Resolution are summarized in APPENDIX C. A description of the Book Entry System is provided in APPENDIX D. The proposed form of the opinion of Bond Counsel is included as APPENDIX E.

This Introduction is only a brief description of the matters described herein. Prospective purchasers of the Offered Bonds should read this entire Official Statement, including the appendices hereto, in order to make an informed investment decision. **The appendices to and footnotes in this Official Statement constitute a part of this Official Statement and contain information that any potential investor should read in conjunction with the other parts of this Official Statement in order to make an informed investment decision.** This Official Statement speaks only as of its date and the information contained herein is subject to change.

All references herein to the Resolutions and other documents and agreements are qualified in their entirety by reference to such Resolutions, documents and agreements, and references herein to the Offered Bonds are qualified in their entirety by reference to the form thereof, copies of which are available for inspection at the offices of the Administration 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 cda_bonds@mdhousing.org.

THE OFFERED BONDS

General Description

The Offered Bonds will be dated December 30, 2009. The Offered Bonds will be issuable only as fully registered bonds in book entry form in the denominations of $10,000 or any integral multiple of $10,000 in excess thereof. The Offered Bonds initially will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Offered Bonds.

In addition to the defined terms set forth in APPENDIX A – DEFINITIONS FROM THE BOND RESOLUTION, the following definitions apply to the Offered Bonds, including, without limitation, the determination of interest thereon:

"*Certificate of Adverse Change*" means a written notice from or on behalf of the GSEs or the Administration stating that one or more of the certificates or opinions required to be delivered by the Administration pursuant to the Placement Agreement, between the Administration and the GSEs, have been revised or withdrawn prior to the receipt by the Administration of proceeds of the Offered Bonds on January 12, 2010.

"*Construction Program Bonds*" means bonds designated by the Administration as Construction Program Bonds issued to finance a Loan meeting the requirements of Appendix A to the Series Resolution, which bonds mature less than 34 years after the Settlement Date and bear interest and have the terms set forth in Appendix A to the Series Resolution. Construction Program Bonds may be either fixed rate Construction Program Bonds (which shall bear interest at the Permanent Rate on and after the Conversion Date) or Variable Rate Construction Program Bonds, which bear interest at the Construction Program Bond Variable Rate on and after the Release Date and at the Permanent Rate on and after the Construction Program Bond Conversion Date.

"*Construction Program Bond Conversion Date*" means the first day of the first month which is more than 48 months after January 12, 2009.

"*Construction Program Bond Variable Rate*" means a variable rate equal to the sum of (i) the index of the *weekly* index rate resets of tax-exempt variable rate issues included in a database maintained by Municipal Market Data, a Thomson Financial Services Company, or its successors, which meet specific criteria established by The Securities Industry and Financial Markets Association, such index currently known as The Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index or any successor to such index plus (ii) .50% per annum.

"*Conversion*" or "*Converting*" or "*Converted*" means the conversion or the converting of the interest rate on all or a portion of the Offered Bonds from a Short-Term Rate to a Permanent Rate.

"*Conversion Date*" means, with respect to all or a portion of Offered Bonds that are converting to a Permanent Rate, the date two (2) months after the related Release Date; provided that there shall be no more than three (3) Conversion Dates.

"*Converted Bonds*" means Offered Bonds that have been through the process of Conversion.

"*Four Week T-Bill Rate*" means the interest rate for Four Week Treasury Bills (secondary market) as reported by the Federal Reserve on its website at the following internet address -http://www.federalreserve.gov/releases/h15/update/h15upd.htm.

"*Interest Payment Date*" means, with respect to Offered Bonds which have not been Converted, each Release Date (but such Release Date shall be an Interest Payment Date only for that portion of Offered Bonds which have not been Converted with respect to which amounts in the Series 2009 A Escrow Account are subject to release on such date), each Conversion Date (but such Conversion Date shall be an Interest Payment Date only with respect to those Offered Bonds which have not been Converted which are to become, as of such date, Converted Bonds), and each redemption date. Interest Payment Dates for each Converted Bond and each Construction Program Bond which is not a Variable Rate Construction Program Bond shall be January 1 and July 1, commencing on the January 1 or July 1 first occurring after a Conversion Date. In addition, with respect to Construction Program Bonds, the first Business Day of each month after the Release Date to and including the Construction Program Bond Conversion Date shall be an Interest Payment Date.

"*Permanent Rate*" means the interest rate per annum equal to the sum of (i) 3.45% plus (ii) the Spread.

"*Permanent Rate Calculation Date*" means the date on which the Permanent Rate is calculated with respect to all or a portion of the Offered Bonds, which shall be, with respect to each applicable portion of the Offered Bonds which have not been Converted, a date acceptable to the GSEs selected by the Administration on or prior to December 31, 2010 by delivery of a Release Certificate.

"*Permitted Escrow Investments*" means the investments represented by and provided pursuant to that certain Global Escrow Agreement by and among the GSEs, the Trustee and U.S. Bank National Association, as escrow agent.

"*Release Date*" means such date or dates (not to exceed three (3) dates) on or prior to December 31, 2010 and which dates are acceptable to the GSEs, on which dates the requirements under the Supplemental Indenture are satisfied, including, without limitation, delivery of a Release Certificate.

"*Short-Term Rate*" means, (i) for the period from January 12, 2010 to the applicable Release Date, the interest rate which produces an interest payment on such Release Date relative to the Offered Bonds with respect to which amounts on deposit in the Series 2009 A Escrow Account are subject to release on such Release Date equal to Investment Earnings and (ii) with respect to Offered Bonds which are not Variable Rate Construction Program Bonds, from the Release Date to the Conversion Date, an interest rate equal to the sum of the Spread plus the lesser of (A) the Four Week T-Bill Rate as of the Business Day prior to the Release Date or (B) the Permanent Rate, less the Spread. For purposes of this provision, "*Investment Earnings*" means total investment earnings on the portion of the Series 2009 A Escrow Account related to Offered Bonds with respect to which a Release Date is occurring.

"*Special Permanent Rate Advisor*" means State Street Bank and Trust Company, and any successor or assign designated by Treasury.

"*Spread*" means (i) with respect to Offered Bonds which are not Variable Rate Construction Program Bonds, additional per annum interest on the Offered Bonds based upon the lowest Bond Rating effective as of the Permanent Rate Calculation Date to the Offered Bonds under the Indenture by the rating agencies rating the Offered Bonds, as follows:

Rating	**Additional Spread**
'Aaa'/ 'AAA'	60 bps
'Aa'/ 'AA'	75 bps
'A'	110 bps

and, (ii) with respect to Offered Bonds which are Variable Rate Construction Program Bonds, additional per annum interest on the Variable Rate Construction Program Bonds based upon the lowest Bond Rating of the Offered Bonds effective as of the Permanent Rate Calculation Date under the Trust Indenture by the rating agencies rating the Variable Rate Construction Program Bonds as follows:

Rating	**Additional Spread**
'Aaa'/ 'AAA'	140 bps
'Aa'/ 'AA'	155 bps
'A'	190 bps

"Variable Rate Construction Program Bonds" means bonds designated by the Administration as Variable Rate Construction Program Bonds issued to finance a multifamily mortgage loan meeting the requirements Appendix A to the Series Resolution, which bonds mature no more than thirty four (34) years after the Settlement Date and which bear interest and have the terms set forth herein.

Interest—General

Until Converted to a Permanent Rate on a Conversion Date, each Offered Bond which is not a Variable Rate Construction Program Bond shall bear interest at the Short-Term Rate from the date of delivery thereof (the "Date of Original Issuance") to the related Conversion Date. The interest rate on some or all of the Offered Bonds which are not Variable Rate Construction Program Bonds may be Converted on a Conversion Date to a Permanent Rate in accordance with the provisions of Appendix A to the Series Resolution.

Until Converted on a Conversion Date, each Offered Bond which is a Variable Rate Construction Program Bond shall bear interest at the Short-Term Rate from January 12, 2010 to the Release Date. From and after the Release Date to the Construction Program Bond Conversion Date, the Variable Rate Construction Program Bonds shall bear interest at the Construction Program Bond Variable Rate. On and after the Construction Program Bond Conversion Date, the interest rate on the Variable Rate Construction Program Bonds shall be the Permanent Rate.

Interest shall be payable on each Interest Payment Date as described below.

Offered Bonds bearing interest at the Construction Program Bond Variable Rate shall bear interest on the basis of actual days elapsed for a year of 365 or 366 days, as applicable. Offered Bonds bearing interest at the Permanent Rate shall bear interest based on a 360-day year consisting of 12 30-day months.

Interest Rate Conversion

A Conversion may involve all or only a portion of the Offered Bonds, provided that such Offered Bonds may only be Converted in integral multiples of $10,000. Any particular Offered Bond may be Converted to a Permanent Rate only once. The Administration may exercise its right of Conversion on no more than three (3) occasions and must cause each related Release Date to occur on or prior to December 31, 2010. If Offered Bonds are Converted to Permanent Rates in part on different dates, each portion of such Offered Bond may bear interest at different Permanent Rates based on their respective Conversion Dates.

Conversion Procedures

On or prior to the date which is fourteen (14) days prior to a proposed Release Date, the Administration shall notify the Trustee, the GSEs, Treasury's Financial Agent and the rating agencies of (A) the proposed Release Date, (B) the proposed Conversion Date, (C) the principal amount of Offered Bonds to be Converted on such Conversion Date, (D) the proposed Permanent Rate Calculation Date and (E) the Bond rating anticipated to be in effect on the Release Date.

The Administration shall deliver the following to the Trustee on or prior to any Release Date:

(a) the certification of the Special Permanent Rate Advisor specifying, as applicable, the Permanent Rate Calculation Date and the Four Week T-Bill Rate, Spread and Permanent Rate applicable to the relevant Conversion;

(b) a supplement to this Official Statement relative to the Offered Bonds being Converted;

(c) (I) an opinion or opinions of counsel and a certificate of an authorized officer of the Administration to the effect that nothing has come to their attention that this Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements herein, in light of the circumstances in which they were made, not misleading and (II) a letter or letters from the counsel referenced in the foregoing clause (I) addressed to the GSEs stating that the GSEs may rely on such opinion as though it was addressed to them;

(d) confirmation by the rating agencies of the Bond rating on the applicable Offered Bonds after giving effect to the Release Date and related Conversion;

(e) an opinion of Bond Counsel dated as of the Release Date to the effect that the applicable Offered Bonds have been duly and validly issued and are enforceable obligations of the Administration and that interest payable on such Offered Bonds is exempt from federal income taxation under Section 103 of the Code; and

(f) a certificate of the GSEs, evidencing (i) their consent to the Release Date and (ii) that the Administration has paid or made arrangements to pay the fees of the GSEs' counsel in connection with the Release Date.

This Official Statement is intended to provide information to the owner of the Offered Bonds while the proceeds of the Offered Bonds are in escrow and is not intended to be relied upon by prospective owners of Offered Bonds upon Conversion. The delivery of a new disclosure document

will occur upon any Conversion of the Offered Bonds and the new disclosure document will relate to that portion of Offered Bonds subject to such Conversion only.

Application of Offered Bond Proceeds

Pursuant to the Series Resolution, the proceeds of the sale of the Offered Bonds will be deposited in the Series 2009 A Escrow Account of the Series 2009 A Account of the Bond Proceeds Fund. Proceeds of the Offered Bonds shall remain on deposit in the Series 2009 A Escrow Account until the Release Date and invested in Permitted Escrow Investments. **Proceeds on deposit in the Series 2009 A Escrow Account are pledged exclusively to the repayment of the Offered Bonds.** See **"SECURITY FOR THE BONDS – Series 2009 A Account and Series 2009 A Escrow Account"** herein.

Costs of issuance will be paid to the Trustee from funds of the Administration. Upon receipt of such funds from the Administration, the Trustee will deposit such costs of issuance into the Costs of Issuance Account established under the Series Resolution.

Redemption Provisions

Optional Redemption

The Offered Bonds are subject to redemption in whole or in part (in minimum denominations of $10,000 and integral multiples of $10,000 in excess thereof) on the first Business Day of each month from the date of issuance at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date.

Mandatory Redemption.

Redemption Due to Failure to Convert. Any Offered Bonds with respect to which a Release Date has not occurred prior to January 1, 2011 are subject to mandatory redemption on February 1, 2011 (or any earlier date selected by the Administration), to the extent a Release Date has not occurred prior to January 1, 2011 at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date.

Redemption Due to Withdrawal of Closing Certificates. The Offered Bonds are subject to mandatory redemption in whole, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest, on the first Business Day at least thirty (30) days after January 12, 2010, if there is delivered by mail or by electronic means to the Trustee on or prior to January 12, 2010 a Certificate of Adverse Change and the GSEs have not, prior to the date 20 days following January 12, 2010, provided the Trustee a written waiver.

Pre-Conversion Offered Bonds Not Meeting Minimum Rating Thresholds. Within ten (10) Business Days of receipt by the Trustee of notice that the long-term unenhanced rating on the Bonds has been withdrawn or fallen below "A3" or "A-", all proceeds that are held in the Series 2009 A Escrow Account shall be used to mandatorily redeem a corresponding amount of Offered Bonds, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest, to the redemption date.

Available Moneys for Redemptions. With respect to the redemptions set forth above, moneys on deposit in the Series 2009 A Escrow Account shall be used for any such redemption; if amounts in the Series 2009 A Escrow Account are not sufficient, then any available moneys under the Indenture shall be used for any such redemption.

Sinking Fund Redemption. The Offered Bonds are subject to mandatory sinking fund redemption, prior to maturity, in the amounts and on the dates to be established by the Administration not later than the final Release Date (provided, however, that Construction Program Bonds shall not be subject to sinking fund redemption prior to the Construction Program Bond Conversion Date) at the principal amount thereof, plus accrued interest thereon to the date of redemption. The principal amount of any Offered Bonds redeemed pursuant to the redemption provisions described above shall be applied to reduce each respective Sinking Fund Installment in the manner described in a certificate of an Authorized Officer.

Selection of Bonds to be Purchased or Redeemed

Any Bonds to be purchased or redeemed, except by a Sinking Fund Installment, will be purchased or redeemed only upon receipt by the Trustee of a certificate signed by an Authorized Officer which sets forth the following:

(1) the Series of Bonds to be purchased or redeemed;

(2) the maturities within such Series from which Bonds are to be purchased or redeemed;

(3) the principal amount and maximum price of Bonds within such maturities to be purchased or redeemed; and

(4) if any of the Bonds to be purchased or redeemed are Term Bonds, the years in which the applicable Sinking Fund Installments are to be reduced.

If fewer than all of the Bonds of a Series having the same maturity are called for redemption, the particular Bonds or portions of Bonds to be redeemed are to be selected by the Trustee and redeemed in Authorized Denominations on a pro rata portion (calculated based on the outstanding principal amount of the Offered Bonds divided by the sum of the outstanding principal amount of the Offered Bonds and the outstanding principal amount of any bonds issued in conjunction with and secured by the Indenture on a parity with the Offered Bonds) and 100% (if no bonds issued in conjunction with and secured by the Indenture on a parity with the Offered Bonds are then Outstanding) of all principal prepayments and recoveries of principal received with respect to the Loans, acquired or financed with the proceeds of the Offered Bonds and any such parity bonds, to the extent not used to pay scheduled principal, interest or sinking fund redemptions on Offered Bonds and any bonds issued in conjunction with and secured by the Indenture on a parity with the Offered Bonds. Notwithstanding the foregoing, tax credit equity with respect to projects funded with Loans may be used solely to redeem related bonds issued in conjunction with Offered Bonds. Amounts set forth in clause (ii) are required to be applied to the redemption of Offered Bonds promptly and as provided above shall not be recycled into new Loans. Particular series of Offered Bonds may be redeemed with payments of specified Loans. If any Offered Bonds are to be redeemed under any of the redemption provisions described above, Offered Bonds may be redeemed only in Authorized Denominations. All Bonds called for redemption will cease to accrue interest on the specified redemption date and shall no longer be considered Outstanding under the Bond Resolution, provided that funds sufficient for the redemption of those Bonds are deposited with the Trustee. Upon presentation and surrender of Bonds called for redemption at the place or places of payment, together with a written instrument of transfer duly executed by the owner thereof or by the owner’s attorney duly authorized in writing, such Bonds are to be paid and redeemed.

Purchase of Bonds

The Administration may purchase or cause to be purchased any Bonds of any particular Series or maturity in lieu of redemption of such Bonds or for any other purpose pursuant to written instructions given by the Administration to the Trustee, provided that, if the purchase price of any Bonds exceeds the then applicable Redemption Price and accrued interest to the date of purchase, such written instructions shall be accompanied by a Cash Flow Certificate which takes into account any redemption or cancellation of Bonds so purchased. Such purchases shall be made in such manner as directed by the Administration. The Administration may from time to time in its discretion invite tenders for sale of Bonds to the Administration or a person designated by the Administration, either by public offer or private invitation, at such prices or bidding procedures as may be determined by the Administration. Such tender invitations may be made in lieu of redemption of Bonds or for any other purpose.

Notice of Redemption

Notice of redemption of the Offered Bonds is to be given not less than 30 days before the date fixed for redemption, as provided in the Series Resolution. Failure to give any such notice, however, will not affect the validity of any proceedings for redemption of other Bonds of such Series.

DTC and Book Entry

The Offered Bonds will be issued as fully registered bonds, registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. Beneficial ownership interests in the Offered Bonds will only be available in book entry form. Purchasers of beneficial ownership interests in the Offered Bonds will not receive certificates representing their interests in the Offered Bonds purchased. See "APPENDIX D – BOOK ENTRY SYSTEM."

Principal of, premium, if any, and interest on the Offered Bonds are payable, so long as the Offered Bonds are in book entry form, through a securities depository as described in APPENDIX D.

SECURITY FOR THE BONDS

Provisions of the Bond Resolution

Pursuant to the Bond Resolution, the security for the Bonds (including the Offered Bonds) is a pledge of and lien on:

(1) proceeds of the sale of Bonds of the related Series (or Subseries thereof) (other than proceeds deposited in trust for the retirement of Outstanding Bonds),

(2) Loans made, purchased or otherwise financed from such proceeds,

(3) Revenues (primarily payments of principal and interest on Loans),

(4) Recovery Payments (which include Prepayments) and Acquired Development Receipts,

(5) all money, investments and other assets held in the funds and accounts established by or pursuant to the Bond Resolution and the earnings thereon, except for any money, investments, assets or income held in any fund or account created by a Series Resolution which provides that such fund or account shall not be subject to the lien of the Bond Resolution, and

(6) any and all other property of every description and nature from time to time hereafter by delivery or by writing of any kind conveyed, pledged, assigned or transferred to the Trustee as and for additional security under the Bond Resolution by the Administration or by anyone on its behalf or with its written consent.

The pledge and security interest are subject to: (i) the power of the Administration to direct the withdrawal of amounts from such funds and accounts free and clear of such pledge and security interest upon the conditions provided in the Resolutions, (ii) other specific limitations set forth in the Bond Resolution, and (iii) with respect to one or more Series of Bonds or any Subseries thereof, the power of the Administration to grant a lien on the same property and rights (or any portion thereof) on a parity with the lien granted to the Trustee for the benefit of the owners of Bonds of any Series or Subseries thereof (provided, however, any funds, assets or other property pledged to or for the benefit of the Credit Enhancer, Credit Facility Provider or Qualified Hedge provider shall be available to the Credit Enhancer, Credit Facility Provider or Qualified Hedge Provider only after it has made payment under the Credit Enhancement, Credit Facility or Qualified Hedge Provider of the related Series (or Subseries thereof, as herein provided), as appropriate) and to exclude all moneys deposited into any fund or account with respect thereto from the pledge to the Trustee securing payment of Bonds of any Series or Subseries thereof or to limit such pledge. Moneys necessary to pay arbitrage rebate, if any, to the United States are administered outside of, and are not subject to the lien of, the Bond Resolution. For a description of the provisions of the Bond Resolution for releasing of moneys or other assets from the lien of the Bond Resolution, see "SECURITY FOR THE BONDS – Cash Flow Statements and Certificates."

The pledge made and security interests granted by the Bond Resolution and the covenants and agreements therein set forth are for the equal benefit, protection and security of holders of all Bonds, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any Bond over any other except as expressly provided or permitted therein. See "SECURITY FOR THE BONDS – Additional Bonds."

The Bonds are special obligations of the Administration payable solely from the Revenues and property of the Administration pledged therefor under the Bond Resolution. 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.

Series 2009 A Account and Series 2009 A Escrow Account

The Series Resolution establishes an account in the Bond Proceeds Fund designated as the Series 2009 A Account. On and after each Release Date, at the direction of the Authority, the Trustee is required to transfer all or any portion of the proceeds of the Offered Bonds from the Series 2009 A Escrow Account to the Series 2009 A Account to be used, from and after the Release Date, subject to and in accordance with Appendix A to the Series Resolution, for any purpose for which such proceeds may be used under the Bond Resolution, including the making of Loans. The Trustee is required to invest amounts on deposit in the Series 2009 A Account on each Release Date in Permitted Investments as directed by the Administration.

The Series Resolution establishes within the Series 2009 A Account an account designated as the Series 2009 A Escrow Account. Proceeds of the Offered Bonds shall remain on deposit in the Series 2009 A Escrow Account until the Release Date. Amounts on deposit in the Series 2009 A Escrow Account shall be invested in Permitted Escrow Investments. **In accordance with the Series Resolution, prior to Conversion, amounts on deposit in the Series 2009 A Escrow Account and investments thereon are pledged solely to secure the Offered Bonds.**

Credit Enhancement of Loans

The Loans may be enhanced with one or more forms of Credit Enhancement. Pursuant to the Bond Resolution, the Administration may, in its discretion, materially modify, amend, alter, cancel or release Credit Enhancement of any Loan, provided the Administration has filed with the Trustee a Cash Flow Certificate taking such modification, amendment, alteration, cancellation or release into account and a certificate of an Authorized Officer to the effect that any such modification, amendment, alteration, cancellation or release will not adversely affect the rating on the Bonds as in effect immediately before the date of such certification.

Housing Subsidy Payments for Rental Housing Developments

Certain of the Developments may receive federal housing subsidy payments under certain federal housing subsidy programs.

Debt Service Reserve Fund

The Debt Service Reserve Requirement, as of any date of calculation, is the aggregate of the amounts specified as the Debt Service Reserve Requirement for each Series of Bonds in the applicable Series Resolution. Upon the issuance of any Series of Bonds, there will be deposited in the Debt Service Reserve Fund monies or Cash Equivalents in an amount sufficient to satisfy the Debt Service Reserve Requirement. The Debt Service Reserve Requirement for Converted Series 2009 A Bonds shall be established on each Release Date, and the amount so established shall be deposited by the Trustee at the direction of the Administration in the Series 2009 A Account of the Debt Service Reserve Fund in accordance with the Bond Resolution. The Debt Service Reserve Requirement for other Series of Bonds, if any, shall be set forth in the Series Resolution authorizing such Series.

If moneys in the Revenue Fund are insufficient to provide for the payment when due of any Principal Installment, interest on the Bonds or any Sinking Fund Installment, the Trustee shall withdraw from the Debt Service Reserve Fund and pay into the Revenue Fund the amount of the deficiency then remaining. If any such withdrawal results in the balance in the Debt Service Reserve Fund falling below the amount of the Debt Service Reserve Requirement, any such deficiency shall be replenished from amounts available in the Revenue Fund following payment of Principal Installments, Sinking Fund Installments, redemption premium (if any) and interest on the Bonds. The failure of the Administration to maintain the Debt Service Reserve Requirement will not, in and of itself, constitute an Event of Default under the Bond Resolution.

The Trustee may, at the direction of an Authorized Officer, withdraw any amount in the Debt Service Reserve Fund in excess of the Debt Service Reserve Requirement, and any amount anticipated to be withdrawn in connection with the purchase or redemption of Bonds, and credit such amount to the Revenue Fund. The Debt Service Reserve Requirement may be reduced upon receipt by the Trustee of a Cash Flow Certificate taking into account such reduction and a certificate from an Authorized Officer to the effect that such reduction, in and of itself, will not cause or result in a reduction of the rating or ratings on the Bonds in effect immediately before such reduction. The Debt Service Reserve Fund and the Debt Service Reserve Requirement may be funded with moneys or Cash Equivalents, in accordance with the requirements of the Bond Resolution and any Supplemental Resolution, or as determined to be deposited therein by the Administration. If, pursuant to a Supplemental Resolution, amounts obtained under a Credit Facility or Credit Enhancement are to be used to pay the Principal Installments of and interest on Bonds, then amounts in the Debt Service Reserve Fund which would otherwise have been used for such purposes may be applied to reimburse the Credit Facility Provider or Credit Enhancer for the amounts so obtained, all in accordance with such Supplemental Resolution.

Investment of Funds

Pending application to the purposes of each fund or account, moneys held in the various funds and accounts under the Bond Resolution will be invested in Permitted Investments.

Funds held in the Revenue Fund and the Debt Service Reserve Fund are invested in Permitted Investments. In general, it is the Administration's policy to invest such monies in U.S. Treasury securities, investment contracts collateralized by Permitted Investments, accounts with financial institutions, and securities of other institutions created by the U.S. Government.

Any Permitted Investments described in subparagraphs (4), (5) and (8) of the definition of "Permitted Investments," i.e., U.S. dollar denominated deposit accounts, federal funds and banker's acceptances, commercial paper and investment agreements, as set forth and more fully described in APPENDIX A "DEFINITIONS FROM THE BOND RESOLUTION" to this Official Statement, purchased by the Trustee must, as of the date of such purchase, be rated by any Rating Agency then rating the Bonds in a long-term rating category at least equal to the long-term rating of the Bonds and a short term rating in the highest short-term rating category (unless the Permitted Investment has a remaining term of less than one year, in which case it need only have a short term rating in the highest short term rating category); provided, however, that the Trustee may purchase Permitted Investments that do not meet the requirements set forth in this paragraph, so long as the purchase of such Permitted Investments does not, as of the date of such purchase, in and of itself, result in a reduction or withdrawal of the then existing rating assigned to the Bonds by any Rating Agency then rating the Bonds. If the rating of any Permitted Investment purchased by the Trustee changes adversely subsequent to the date of purchase, the Trustee is not required to sell such Permitted Investment. If a Rating Agency were to downgrade or withdraw the rating on any Permitted Investment previously purchased by the Trustee, the rating on the Bonds could be negatively affected. See "RATING."

No Rights to General Bond Reserve Fund

The Offered Bonds are not secured by the Administration's General Bond Reserve Fund established pursuant to the General Bond Reserve Fund Indenture of Trust, originally adopted as of June 29, 1984 and amended and restated as of November 18, 2003 and February 1, 2008, by and between the Administration and the Trustee. Holders of the Offered Bonds have no right to any money or investments held in such fund.

Cash Flow Statements and Certificates

The Administration is required to file with the Trustee a current Cash Flow Statement whenever any Series of Bonds is issued, unless such filing is not required by a Rating Agency.

The Administration is also required to file with the Trustee a current Cash Flow Certificate:

(i) upon purchase or redemption of Bonds of a Series in a manner other than [a] as contemplated in the most recent Cash Flow Statement filed by the Administration with the Trustee, or [b] on a basis whereby the Bonds of each maturity of such Series are purchased or redeemed in the proportion that the amount Outstanding of such maturity bears to the total amount of all Outstanding Bonds of such Series, with respect to purchases or redemptions to be made from Recovery Payments;

(ii) prior to withdrawing moneys from the Revenue Fund for payment to the Administration free and clear of the pledge and lien of the Bond Resolution, in an amount in excess of the amounts determined to be available for such purpose in the most recent Cash Flow Statement filed with the Trustee;

(iii) prior to selling Loans not in default;

(iv) prior to [a] the initial financing of a Loan whose terms are materially inconsistent with the most recent Cash Flow Statement, or [b] subsequently materially modifying, amending or altering the terms or provisions of any Loan or releasing, altering or modifying materially the security therefor (including, without limitation, Credit Enhancement, if any);

(v) except as provided in Section 6.07(c) of the Bond Resolution (summarized in APPENDIX C), prior to the releasing of any Loan from the pledge and lien of the Bond Resolution at less than the amount specified in Section 6.06 of the Bond Resolution (summarized in APPENDIX C) for Prepayment of such Loan;

(vi) prior to the application of a Recovery Payment to any use other than the purchase or redemption of Bonds;

(vii) prior to the purchase of Bonds at a price in excess of the then applicable Redemption Price plus accrued interest to the date of purchase; or

(viii) prior to effecting any reduction in the Debt Service Reserve Requirement.

A Cash Flow Statement shall consist of a certification and calculation made by or for the Administration and signed by an Authorized Officer giving effect to the action proposed to be taken and demonstrating that:

(i) the Revenues derived with respect to each Loan, together with any other payments on such Loans,

(ii) interest and other income estimated by the Administration to be derived from the investment or deposit of money available for payment of the Bonds in any fund or account created by or pursuant to the Bond Resolution (which estimate shall be based upon the investments or deposits in any fund or account at the rate of return thereon or, in the case of future investments or investments or deposits expected to be made at the time of such certificate, at an assumed rate or reinvestment rate reasonably determined by the Administration compounded no more frequently than monthly),

(iii) any fees charged by the Administration and any other available revenues, and

(iv) any other moneys or funds pledged to the payment of the Bonds,

will be sufficient, in the judgment of an Authorized Officer of the Administration, to pay the principal of and interest on all Outstanding Bonds described in the calculation in the current and in each succeeding Bond Year. A Cash Flow Statement shall include all Outstanding Bonds, together with one or more Series of Bonds to be issued by the Administration, all as may be required by the Bond Resolution. To the extent specified in a Series Resolution, a fund or account established in said Series Resolution shall not be taken into account when preparing a Cash Flow Statement.

In addition, the Cash Flow Statement shall demonstrate that: (1) the amount of moneys and Permitted Investments held in the Bond Proceeds Fund, the Redemption Fund, the Revenue Fund and the Debt

Service Reserve Fund (valued at their cost to the Administration, as adjusted by amortization of the discount or premium paid upon purchase of such obligations ratably to their respective maturities), together with accrued but unpaid interest thereon, (2) the outstanding principal balance of Loans, together with accrued but unpaid interest thereon, and (3) any other assets, valued at their realizable value, pledged for the payment of the Bonds, will equal or exceed the aggregate principal amount of and accrued but unpaid interest on Outstanding Bonds; provided that in the event a Series Resolution specifies that, for purposes of the requirements of this paragraph, the Loans financed by such Series of Bonds shall be valued at other than their outstanding principal balance, then, with respect to such Loans, such other value shall be used in the calculations required by this paragraph.

A Cash Flow Certificate shall consist of a statement of an Authorized Officer of the Administration to the effect of one of the following: (1) the proposed action is consistent with the assumptions set forth in the most recent Cash Flow Statement; or (2) after giving effect to the proposed action, in the current and each succeeding Bond Year in which Bonds are scheduled to be Outstanding, the amounts described in clauses (i) through (iv) above will be sufficient, in the judgment of an Authorized Officer of the Administration, to pay the principal of and interest on all Outstanding Bonds described in the calculation, except that to the extent specified in a Series Resolution, a fund or account established in said Series Resolution shall not be taken into account in connection with such Cash Flow Certificate; or (3) the proposed action will not in and of itself materially adversely affect the amounts described in clauses (i) through (iv) above, except with respect to such funds or accounts which may be specified in such Series Resolution to not be taken into account in connection with such Cash Flow Certificate. The Administration, at its option, may file a Cash Flow Statement in lieu of a Cash Flow Certificate in any instance when it is required to file a Cash Flow Certificate.

Cash Flow Statements and Cash Flow Certificates are prepared based upon certain assumptions of and information available to the Administration at the time such a statement or certificate is prepared. Such assumptions and information are subject to change, which may materially affect the conclusions expressed in the statement or certificate. Accordingly, Bondholders should be aware that the existence of a Cash Flow Statement or Cash Flow Certificate does not assure that the conclusions expressed therein will accurately reflect future revenues or events. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION – Cash Flow Statements and Certificates."

Credit Facilities

Under the Bond Resolution, payment of the principal or redemption or purchase price of and interest on each Series of Bonds issued thereunder may be, but is not required to be, secured by a Credit Facility. In connection with obtaining any such credit or liquidity facility, the Administration may under the Bond Resolution pledge to the provider thereof its interests in the Loans and the accounts created under the Bond Resolution and applicable Series Resolution relating to such Loans.

A Credit Facility may be: (i) an unconditional and irrevocable letter of credit in form and drawn on a bank or banks acceptable to the Administration (which bank or banks must be rated by any Rating Agency in a category at least equal to the rating category of the Bonds or "A-l+" or "P-1," as applicable, if the Credit Facility has a remaining term at the time it is provided not exceeding one year); provided that such letter of credit may be provided by a bank or banks whose rating is lower than that set forth above, so long as the providing of such letter of credit does not, as of the date it is provided, in and of itself, result in a reduction or withdrawal of the then existing rating assigned to the Bonds by any of the Rating Agencies, (ii) cash, (iii) a certified or bank check, (iv) Permitted Investments, or (v) any other credit facility similar to the above in purpose and effect, including, but not limited to, a guaranty, standby loan or purchase commitment, insurance policy, surety bond or financial security bond or any combination thereof, which, in any case secures all or a portion of one or more Series of Bonds or Subseries thereof.

Additional Bonds

The Bond Resolution permits the issuance of additional Bonds for one or more of the following purposes: (1) to finance or refinance Qualified Loans (including, without limitation, Qualified Loans in default); (2) to refund any or all Outstanding Bonds or any other bonds, notes or other obligations; (3) to pay any "Development Cost" as such term is defined in the Act and any other cost, including, without limitation, costs of issuance, discount, insurance or credit enhancement premiums or fees, fees and expenses of counsel, financial advisors and other professional advisors and consultants, all as permitted by the Act; (4) to fund reserves; or (5) to achieve any of the Administration's purposes. Prior to the issuance of any Series of additional Bonds, the Administration will file with the Trustee: (i) a Cash Flow Statement and (ii) confirmation that the rating on such Series of Bonds shall not be lower than the rating on the Bonds in effect immediately prior to the issuance of such Series of Bonds. The Offered Bonds and any additional Bonds issued under the Bond Resolution will be on a parity and will be entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the Bond Resolution.

TAX MATTERS

Opinion of Bond Counsel

General

In the opinion of Bond Counsel, interest on the Offered Bonds is includable in the gross income of the holders thereof for federal income tax purposes. The owners of the Offered Bonds, by accepting such Offered Bonds, have agreed to treat the Offered Bonds as indebtedness. The Agency will treat the Offered Bonds as a financing reflecting the Offered Bonds as its indebtedness for tax and financial accounting purposes.

Additionally, in the opinion of Bond Counsel, under existing statutes, the Offered 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.

Holders of the Offered Bonds should consult with their tax advisor regarding other federal income tax consequences of holding the Offered Bonds, including, but not limited to, market discount or premium, deductibility of investment interest expense, sale or exchange of the Offered Bonds, backup withholding, state and local taxation, tax-exempt investors, foreign investors, and ERISA.

Treasury Circular 230 Disclosure

To ensure compliance with Treasury Circular 230, taxpayers are hereby notified that (a) any discussion of U.S. federal tax issues in this Official Statement is not intended by us to be relied upon, and cannot be relied upon, by taxpayers for the purpose of avoiding penalties that may be imposed on taxpayers under the Internal Revenue Code; (b) such discussion is written in connection with the promotion or marketing of the transactions or matters addressed herein; and (c) taxpayers should seek advice based on their particular circumstances from an independent tax advisor.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress of the United States and the various states that, if enacted, could alter or amend the federal and state tax matters referred to herein and adversely affect the market value of the Offered Bonds. It cannot be predicted whether or in what form any such proposals might be enacted or whether, if enacted, would apply to bonds issued prior to the 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 Offered 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 Offered Bonds or the market value thereof would be impacted thereby. Purchasers of the Offered 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 Offered 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.

LITIGATION

There is no pending litigation of any nature restraining or enjoining or seeking to restrain or enjoin the issuance, sale or delivery of any of the Offered Bonds or in any way contesting or affecting the validity of any of the Offered Bonds, the Bond Resolution or other proceedings of the Secretary taken with respect to the authorization, issuance or sale of any of the Offered Bonds, or the pledge or application of any moneys under the Bond Resolution, or the existence or powers of the Administration.

LEGAL MATTERS

The authorization, issuance and delivery of the Offered Bonds are subject to receipt of the opinion of Kutak Rock LLP, Washington, D.C., Bond Counsel, which will be in substantially the form set forth in APPENDIX E. Certain legal matters pertaining to the Administration will be passed upon by an Assistant Attorney General of the State as Counsel to the Department.

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.

LEGALITY FOR INVESTMENT

Under the Act, the Bonds are securities in which all public officers and public units of the State and its political subdivisions and all State banks, trust companies, savings and loan associations, investment companies, and others carrying on a banking business, all insurance companies, insurance associations, and others carrying on an insurance business, all State personal representatives, guardians, trustees, and other fiduciaries and all other persons, may legally and properly invest funds, including capital in their control or belonging to them. The Bonds are securities which properly and legally may be deposited with and received by any State or municipal officer or any unit or political subdivision of the State for any purpose for which the deposit of bonds or other obligations of the State is authorized by law.

PLACEMENT OF THE BONDS

Under the NIBP Program, the Administration will exchange the Offered Bonds for securities issued by the GSEs that will be backed by the Offered Bonds (the "GSE Securities"). The GSE Securities will be purchased by the Treasury from the Administration at a price of par, net of certain securitization fees and expenses owed to the GSEs. The net purchase proceeds to the Administration are $91,907,960.

FINANCIAL ADVISOR

Caine Mitter & Associates Incorporated (the "Financial Advisor) has served as Financial Advisor to the Administration in connection with the sale of the Offered Bonds.

RATING

Moody's is expected to assign its bond rating of "Aaa" to the Offered Bonds. Explanations of the significance of such ratings may be obtained from Moody's at 7 World Trade Center, New York, New York 10007. The Administration has not applied for any other rating in respect of any of the Offered Bonds. Moody's may have been provided with information regarding the Administration and its financial condition and operations which is not included in this Official Statement. There is no assurance that such ratings, once assigned, will continue for any period of time or that such ratings will not be revised, reduced or withdrawn. The Administration has not agreed to maintain such ratings, to notify the owners of the Bonds of any proposed or threatened change or withdrawal of such ratings (other than actual material rating changes within the scope of the Administration's secondary market disclosure undertaking described below) or to oppose any proposed or threatened change or withdrawal of such ratings. Any reduction or withdrawal of such ratings would have an adverse effect upon the market price of the Bonds.

MISCELLANEOUS

Summaries and Descriptions in Official Statement

The summaries and explanation of, or references to, the Act, the program documents, the Resolutions and the Offered Bonds included in this Official Statement do not purport to be comprehensive or definitive; such summaries, references and descriptions are qualified in their entirety by reference to each such document, copies of which are on file at the office of the Administration.

Selection and Compensation of Professionals

The Administration selects its independent auditor through a competitive process in accordance with State procurement law. Compensation of the auditor is not contingent on the sale of the Offered Bonds. The Financial Advisor is selected by the Administration periodically through a competitive process in accordance with State procurement law. Compensation of the Financial Advisor is not contingent on the sale of the Offered Bonds. Bond Counsel was selected by the Office of the Attorney General of the State through a process of review of responses to a request for proposals. Compensation of Bond Counsel is not contingent on the sale of the Offered Bonds.

This Official Statement is not to be construed as a contract or agreement between the Administration and the owners of any of the Offered Bonds.

The execution and delivery of this Official Statement and the incorporation of the Appendices hereto by the Administration have been duly authorized by the Secretary of Housing and Community Development.

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COMMUNITY DEVELOPMENT ADMINISTRATION
MARYLAND DEPARTMENT OF HOUSING AND
COMMUNITY DEVELOPMENT

By: ______________________________
Frank B. Coakley, Director
Community Development Administration

APPENDIX A

DEFINITIONS FROM THE BOND RESOLUTION

Certain of the terms used in this Official Statement are defined in the Resolutions. Certain terms are defined elsewhere in this Official Statement. In addition, the following terms from the Bond Resolution have the following respective meanings in this Official Statement, unless a different meaning clearly appears from the context:

"Accountant's Report" means an opinion signed by any nationally recognized certified public accountant or firm of certified public accountants (who may be the accountant or firm that regularly audits the books and accounts of the Administration) from time to time selected by the Administration.

"Accounts" means the accounts established pursuant to the Bond Resolution or any Supplemental Resolution.

"Accreted Amount" means, as of any Interest Payment Date, with respect to Capital Appreciation Bonds and Deferred Income and Appreciation Bonds, such amounts as are set forth in the Series Resolution authorizing such Capital Appreciation Bonds and/or Deferred Income and Appreciation Bonds. "Accreted Amount" means, as of any date other than an Interest Payment Date, the sum of (a) the Accreted Amount on the preceding Interest Payment Date and (b) the product of: (x) a fraction, the numerator of which is the number of days having elapsed from the preceding Interest Payment Date and the denominator of which is the number of days from such preceding Interest Payment Date to the next succeeding Interest Payment Date, and (y) the difference between the Accreted Amounts for such Interest Payment Dates.

"Acquired Development" means a Development constructed, owned, operated or administered by reason of the Administration's obtaining possession thereof when the Mortgage with respect thereto is in default under its terms.

"Acquired Development Expense Requirement" means such amount of money as may, from time to time, by resolution of the Administration, with the approval of the Secretary, be determined to be necessary for the payment or as a reserve for the payment of any costs and expenses incurred in connection with the operation or ownership of an Acquired Development.

"Acquired Development Expenses" means any and all costs and expenses incurred in connection with the operation or ownership of an Acquired Development as the Administration determines from time to time to be necessary and appropriate in carrying out the rights and duties of the Administration under the Bond Resolution with respect to an Acquired Development.

"Acquired Development Receipts" means all money received by the Administration in connection with its acquisition, ownership or operation of an Acquired Development.

"Authorized Denomination" or "Authorized Denominations" means the denomination or denominations for each Series of Bonds of Subseries thereof set forth in the Series Resolution for such Series of Bonds or Subseries thereof.

"Authorized Officer" means the Secretary, the Deputy Secretary of the Department, the Director, either Deputy Director, 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.

"Bond Counsel" means nationally recognized bond counsel who is either currently under contract to provide such services to the Administration or is acceptable to the Administration and the Trustee.

"Bond Year" means the year which begins on January 2 of any year during which Bonds are outstanding and ends on January 1 of the next succeeding year.

"Borrower" means the obligor under a Loan, which may include the Administration.

"Business Day" or "business day" means a day on which banks located in the City of Baltimore, Maryland, and the New York Stock Exchange are open for business.

"Capital Appreciation Bonds" means any non-current interest paying Bonds as designated in the applicable Supplemental Resolution.

"Cash Equivalent" means with respect to a Series of Bonds (or Subseries thereof), a letter of credit, insurance policy, surety, guaranty or other security arrangement (each as provided for in a Series Resolution or a Supplemental Resolution), provided by an institution which has received a rating of its claims paying ability from each Rating Agency at least equal to the then existing rating on the Bonds or whose unsecured long-term debt securities are rated in a category at least equal to the then existing long-term rating on the Bonds and the highest short-term rating category by each Rating Agency; provided that a Cash Equivalent may be provided by an institution which has received a rating of its claims paying ability which is lower than that set forth above or whose unsecured long-term (or short-term) debt securities are rated lower than that set forth above, so long as the providing of such Cash Equivalent does not, as of the date it is provided, in and of itself, result in the reduction or withdrawal of the then existing rating assigned to the Bonds by each Rating Agency.

“Cash Flow Certificate” means the certification and calculation (if required) made by or for the Administration pursuant to the Bond Resolution.

“Cash Flow Statement” means the certification and calculation made by or for the Administration pursuant to the Bond Resolution.

“Code” means the applicable sections of the 1954 Code or the 1986 Code, and any applicable regulations promulgated thereunder.

“Collateral Reserve Fund” means the fund so designated which is established by the Bond Resolution.

“Collateral Reserve Requirement” means, as of any date of calculation, the aggregate of the amounts (if any) specified as the Collateral Reserve Requirement for each Series of Bonds or Subseries thereof or generally in the applicable Series Resolution or Supplemental Resolution to be deposited into the Collateral Reserve Fund in connection with the issuance of a Series of Bonds or generally; provided that: (i) a Series Resolution or Supplemental Resolution may provide that the Collateral Reserve Requirement may be funded, in whole or in part, through Cash Equivalents and such method of funding shall be deemed to satisfy all provisions of the Bond Resolution with respect to the Collateral Reserve Requirement and the amounts required to be on deposit in the Collateral Reserve Fund, and (ii) a Series Resolution or Supplemental Resolution may provide for a reduction in the Collateral Reserve Requirement, either as to a Series of Bonds or Subseries thereof or on an aggregate basis, provided that such reduction will not, in an of itself, result in a reduction of the rating of the Bonds as in effect immediately before any such reduction in the Collateral Reserve Requirement and a Cash Flow Certificate taking such reduction into account is filed with the Trustee.

"Cost of Issuance" means all items of expense payable or reimbursable directly or indirectly by the Administration and related to the authorization, sale and issuance of Bonds and the making, purchasing and otherwise financing of Loans.

"Credit Enhancement" means any credit enhancement, insurance, guaranty, risk-sharing arrangement or any other form of credit support for a Loan (or any portion thereof) as provided in any Series Resolution or Supplemental Resolution.

"Credit Enhancer" means the issuer or provider of any Credit Enhancement, which term includes, without limitation: (a) any agency or instrumentality of the United States of America guaranteeing, insuring or providing credit enhancement for (including without limitation HUD, the Federal Housing Administration of HUD, and its successors and assigns, the Government National Mortgage Association, Federal National Mortgage Association and Federal Home Loan Mortgage Corporation); (b) any bank, financial institution, government chartered corporation or other person; or (c) any agency, instrumentality or department of the State.

"Credit Facility" means (i) an unconditional and irrevocable letter of credit (or confirmation of a letter of credit) in form and drawn on a bank or banks acceptable to the Administration, (ii) cash, (iii) a certified or bank check, (iv) Permitted Investments, or (v) any other credit facility similar to the above in purpose and effect, including, but not limited to, a guaranty, standby loan or purchase commitment, insurance policy, surety bond or financial security bond or any combination thereof, which, in any case secures all or a portion of one or more Series of Bonds or Subseries thereof, or Parity Obligation or a Subordinate Contract Obligation.

"Credit Facility Provider" means the issuer of or obligor under a Credit Facility.

"Debt Service" means, with respect to any particular Bond Year, an amount equal to the sum of (i) all interest payable on Outstanding Bonds during such Bond Year, plus (ii) any Principal Installments and Sinking Fund Installments of such Bonds during such Bond Year.

"Debt Service Reserve Requirement" means, as of any date of calculation, the aggregate of the amounts specified as the Debt Service Reserve Requirement for each Series of Bonds in the applicable Series Resolution; provided that: (i) a Series Resolution may provide that the Debt Service Reserve Requirement for the related Series of Bonds or Subseries thereof authorized thereunder may be funded, in whole or in part, through Cash Equivalents, and such method of funding shall be deemed to satisfy all provisions of the Bond Resolution with respect to the Debt Service Reserve Requirement, and (ii) a Series Resolution or Supplemental Resolution may provide for a reduction in the Debt Service Reserve Requirement, either as to a Series of Bonds or on an aggregate basis, provided that such reduction will not, in and of itself, result in a reduction of the rating of the Bonds as in effect immediately before any such reduction in the Debt Service Reserve Requirement and a Cash Flow Certificate taking such reduction into account is filed with the Trustee.

"Development" means any project, facility, undertaking or purpose which the Administration is authorized to undertake or finance pursuant to the Act as now or hereafter in effect, including, without limitation, any undertaking or project, or portion thereof, which is defined as a "community development project," a "public purpose project," an "energy conservation project," a "home improvement project," an "infrastructure project" or a "special housing facility" by the Act, and shall include, without limitation, single-family, multi-family and group housing.

"Deferred Income and Appreciation Bonds" means any non-current interest paying Bonds which, on a specified date, convert to current interest paying Bonds, as designated in the applicable Series Resolution.

"Escrow Payment" means any payment made to obtain or maintain mortgage insurance and fire and other hazard insurance, including payments for any federal, state, local or private program intended to assist in providing Loans, and any payments required to be made with respect to Mortgages for taxes or other governmental charges or other similar charges to a Borrower customarily required to be escrowed, and payments or charges constituting construction or operating contingency, performance or completion or replacement reserves required pursuant to the applicable Loan.

"Federal Obligations" means direct general obligations of, or obligations the payment of the principal and interest of which are unconditionally guaranteed by, the United States of America, including obligations issued or held in book entry form on the books of the Department of Treasury of the United States of America.

"Fiscal Year" means the period of twelve calendar months commencing on July 1 in any calendar year and ending on June 30 in the following calendar year or such other period of twelve calendar months as determined by the Administration.

"Group Home Loans" means Loans made to non-profit organizations to finance group housing facilities for special needs populations, including developmentally disabled individuals.

"Hedge Receipt" means, if and to the extent designated as such pursuant to the Series Resolution or Supplemental Resolution authorizing the related Qualified Hedge, the amount required to be paid to the Administration under a Qualified Hedge.

"Interest Requirement" means, as of any particular date of computation, the sum of the unpaid interest then past due, if any, plus the interest to become due on all Outstanding Bonds on the next Interest Payment Date (if such computation is made on an Interest Payment Date for one or more Series of Bonds before the interest then due on such Interest Payment Date is paid, such Interest Payment Date shall be treated as the next Interest Payment Date for such Series).

"Investment Obligations" shall mean any of the following which at the time are legal investments under the laws of the State for moneys held hereunder which are then proposed to be invested therein:

(1) direct general obligations of, or obligations the payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America;

(2) bonds, debentures, notes or other evidences of indebtedness issued by any of the following: Bank for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Banks; Export-Import Bank of the United States; Federal Land Banks; Federal National Mortgage Association; Government National Mortgage Association; Federal Financing Bank; Small Business Administration; or any other agency or instrumentality of the United States of America (created by an Act of Congress) substantially similar to the foregoing in its legal relationship to the United States of America;

(3) public housing bonds issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America, and temporary notes, preliminary loan notes or project notes issued by public agencies or municipalities, in each case fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;

(4) interest-bearing time or demand deposits, certificates of deposit or other similar banking arrangements with any financial institution (including the Trustee or any other Fiduciary) provided that (i) such deposits, certificates and other arrangements are fully insured by the Federal Deposit Insurance Corporation, the proceeds of which insurance are timely available, or (ii) such financial institution has combined capital and surplus of at least $10,000,000 and such deposits, certificates and other arrangements are fully secured by obligations described in clauses

(1) through (3), inclusive, of this definition, or a combination thereof, or (iii) such financial institution has combined capital and surplus of at least $25,000,000;

(5) interest-bearing notes issued by a bank holding company having combined capital and surplus of at least $500,000,000 whose senior debt is rated in one of the two highest rating categories of Moody’s or Standard & Poor’s Corporation;

(6) contracts for the purchase and sale of obligations described in clauses (1) through (5) of this definition, provided that if the parties with which such contracts are made are not members of the Federal Reserve System or if such parties (including members of the Federal Reserve System) are not required to set aside and otherwise identify, obligations described in clauses (1) through (5) above to such contracts as security or reserve therefor in an amount at least equal to 100% of the face value of each such contract, such obligations shall be delivered to and held by a fiduciary during the term of such contracts; and

(7) any other investment now or hereafter a legal investment for funds of the Administration under the laws of the State.

"Loan" means: (1) a loan, made or purchased or otherwise financed by the Administration and evidenced by a promissory note, (2) a portion of, or participation in, a loan made or purchased or otherwise financed by the Administration and evidenced by a promissory note, provided, to the extent required by the Act, that such portion or participation is secured by a lien at least equal in priority to the lien securing any other portion of or participation in the loan made or purchased or otherwise financed from sources other than the proceeds of a Series of Bonds (or Subseries thereof), but need not be identical as to interest rate, time or rate of amortization or otherwise, and provided further, that any such portion or participation shall be governed by an agreement between the participants which gives the Administration authority to deal with the Loan as if it were owned solely by the Administration, or (3) a security, certificate or other evidence of ownership of an interest in a loan purchased or otherwise financed by the Administration, which may (but is not required to) be subject to Credit Enhancement. A Loan may or may not be secured by a Mortgage, to the extent permitted by the Act.

"Mortgage" means a mortgage deed, deed of trust or other instrument securing a Loan.

"Multi-Family Housing Revenue Bonds" means the Multi-Family Housing Revenue Bonds (Insured Mortgage Loans) issued by the Administration pursuant to the 1982 Resolution.

"1982 Resolution" means the Administration’s Resolution Providing for the Issuance of Multi-Family Housing Revenue Bonds (Insured Mortgage Loans), originally adopted as of May 1, 1982, and amended and restated as of January 1, 1994.

"Operating Expenses" means the Administration’s operating expenses and all other expenses of carrying out and administering its powers, duties and functions under the Program and the Bond Resolution, and shall include, without limiting the generality of the foregoing: (1) salaries, supplies, utilities, moving, labor, materials, office rent, maintenance, furnishings, equipment; (2) machinery, insurance premiums, legal, accounting, management, consulting, banking and trust services and expenses; (3) Costs of Issuance not paid from proceeds any Series of Bonds or Subseries thereof; and (4) payments for pension, retirement, health, hospitalization and other benefits.

"Outstanding" or "Bonds Outstanding" means all Bonds of a Series which have been delivered under the Bond Resolution, except:

(a) Bonds surrendered to the Trustee for cancellation after purchase in the open market or because of payment at or redemption prior to maturity;

(b) Bonds (or portions thereof) for the payment or redemption of which cash, Federal Obligations, Pre-Refunded Municipal Obligations or any combination thereof shall have been theretofore deposited with the Trustee (whether upon or prior to the maturity or redemption date of any such Bonds); provided that, if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Trustee shall have been filed with the Trustee; and

(c) Bonds in lieu of which other Bonds have been transferred, exchanged, executed, authenticated and delivered, unless proof satisfactory to the Trustee is presented that such bond is held by a bona fide holder in due course.

"Parity Bonds" means Bonds which have a first priority pledge of, lien on, and security interest in, the trust estate established by the granting clauses of the Bond Resolution.

"Parity Hedge Obligation" means the Administration's obligation to pay any amount under any Qualified Hedge secured by a pledge of, and a lien on, Revenues on a parity with the lien securing the Parity Obligations. Parity Hedge Obligations do not include any payments of any termination fees (including Termination Payments) or other fees, expenses, indemnification or other similar obligations to a Party to a Qualified Hedge, which payments shall be Subordinate Contract Obligations.

"Parity Interest" means interest on Parity Bonds, those portions of Parity Reimbursement Obligations that are related to interest payments on Parity Principal, and Parity Hedge Obligations.

"Parity Obligations" means Parity Bonds and Parity Hedge Obligations.

"Parity Obligation Instrument" means an instrument or other contractual arrangement, including Bonds, evidencing the Administration's obligation to pay Parity Obligations.

"Parity Principal" means principal of Parity Bonds and those portions of Parity Reimbursement Obligations that are related to principal.

"Parties" or "Party" means any person(s), other than the Administration, that is a/are party(ies) to a Parity Obligation Instrument or Subordinate Contract Obligation other than Bonds.

"Permitted Investments" means any of the following investments which at the time are legal investments for moneys of the Administration which are then proposed to be invested therein, subject to the terms of the applicable Series Resolution:

(1) Federal Obligations;

(2) Bonds, debentures, notes or other evidences of indebtedness issued by any federal agency, instrumentality or public corporation the obligations of which represent or are guaranteed by the full faith and credit of the United States of America, including (without limitation): Farmers Home Administration, General Services Administration, U.S. Maritime Administration, Small Business Administration, Government National Mortgage Association, and U.S. Department of Housing & Urban Development;

(3) Bonds, notes or other evidences of indebtedness issued by the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or any similar entity, which, at the time of purchase, are rated in a ratings category which does not affect the then outstanding rating by Moody's on the Bonds and the comparable rating of any other Rating Agency on the Bonds;

(4) U.S. dollar denominated deposit accounts, federal funds and banker's acceptances with domestic commercial banks which have a rating on their short term certificates of deposit, at the time of purchase, in a ratings category which does not affect the then outstanding rating by Moody's on the Bonds and the comparable rating of any other Rating Agency and maturing no more than 360 days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);

(5) Commercial paper which, at the time of purchase, is rated in a ratings category which does not affect the then outstanding rating by Moody's on the Bonds and the comparable rating of any other Rating Agency and which matures not more than 270 days after the date of purchase;

(6) Investments in a money market fund, which, at the time of purchase, are rated in a ratings category which does not affect the then outstanding rating by Moody's on the Bonds and the comparable rating of any other Rating Agency;

(7) Pre-Refunded Municipal Obligations which, at the time of purchase, are rated in a ratings category which does not affect the then outstanding rating by Moody's on the Bonds and the comparable rating of any other Rating Agency;

(8) Investment agreements with any financial institution or other entity with debt rated, at the time of purchase, in a ratings category which does not affect the then outstanding rating by Moody's on the Bonds and the comparable rating of any other Rating Agency;

(9) Contracts for the purchase and sale of obligations described in clauses (1) through (7) of this definition, provided that: (i) if the parties with which such contracts are made are not members of the Federal Reserve System or if such parties (including members of the Federal Reserve System) are not required to set aside and otherwise identify obligations described in clauses (1) through (7) above to such contracts as security or reserve therefor, such obligations shall be delivered to and held by a fiduciary during the term of such contracts, (ii) such obligations shall be continuously maintained at a market value at least equal to 100% of the face value of each such contract, and (iii) the provider of such contract will not adversely affect the rating on the Bonds then in effect;

(10) Investments in any mutual fund the portfolio of which is limited to Permitted Investments, including any proprietary mutual fund of the Trustee for which the Trustee or an affiliate is investment advisor or provides other services to such mutual fund and receives reasonable compensation for such services (and if such mutual fund consists solely of Federal Obligations, then such fund shall constitute "Federal Obligations" for the purposes of the Bond Resolution); and

(11) Any investments authorized in a Series Resolution authorizing the issuance of Bonds.

For purposes of this definition, "institution" means an individual, partnership, corporation, trust or unincorporated organization, or a government or agency, instrumentality, program, account, fund, political subdivision or corporation of a government. Any reference in this definition to the highest rating of short-term obligations shall be without regard to any refinement or gradation such as "+" or"-."

The definition of Permitted Investments may be amended and additional obligations or investments included pursuant to a Supplemental Resolution or a Series Resolution, provided such amendments will not in and of themselves cause a reduction in the rating of the Bonds as in effect immediately before such amendment;

"Prepayment" means any money received from a payment of principal on a Loan in excess of the scheduled payments of principal then due or from the sale, assignment or other disposition of a Loan.

"Pre-Refunded Municipal Obligations" means any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and (A) which are rated, based on the escrow, in the highest rating category of any nationally recognized rating agency; or (B) (i) which are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or Federal Obligations, which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which fund is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to above, as appropriate.

"Principal" or "principal" means: (i) as such term references the principal amount of any Capital Appreciation Bonds or Deferred Income and Appreciation Bonds, the Accreted Amount thereof (the excess of the stated maturity amount of a Capital Appreciation Bond or Deferred Income and Appreciation Bond above the Accreted Amount thereof being deemed unearned interest on such Bond), except as used in the Bond Resolution or the Series Resolution in connection with the authorization and issuance of Bonds and in the order of priority of payments on Bonds after default, in which cases the term "principal" shall mean the initial principal amount of a Capital Appreciation Bond or Deferred Income and Appreciation Bond, and the difference between the Accreted Amount of such Capital Appreciation Bond or Deferred Income and Appreciation Bond and the initial principal amount thereof shall be deemed to be interest, and (ii) as such term references the principal amount of any other Bond, the principal amount at maturity of such Bond.

"Principal Installment" means, as of any date of calculation, (i) the aggregate principal amount of Outstanding Bonds due on a certain future date, reduced by the aggregate principal amount of such Bonds which would be retired by reason of the payment when due and application in accordance with the Bond Resolution of Sinking Fund Installments payable before such future date plus (ii) the unsatisfied balance of any Sinking Fund Installments due on such certain future date, together with the aggregate amount of the premiums, if any, applicable on such future date upon the redemption of such Bonds by application of such Sinking Fund Installments in a principal amount equal to said unsatisfied balance.

"Qualified Hedge" means, to the extent from time to time permitted by law, any financial arrangement (i) which is entered into by the Administration with an entity that is a Qualified Hedge Provider at the time the arrangement is entered into; (ii) which is a cap, floor or collar; forward rate; future rate; swap (such swap may be based on an amount equal either to a principal amount, or a notional principal amount relating to all or a portion of the principal amount, of any related Series of Bonds or Subseries thereof or Loans as set forth in the authorizing Series Resolution or Supplemental Resolution); asset, index, price or market-linked related transaction or agreement; other interest rate exchange or rate protection transaction agreement; other similar transaction (however designated); or any combination thereof; or any option with respect thereto; or any similar arrangement; (iii) which is executed by the Administration for the purpose of debt management, including managing interest rate fluctuations on Bonds and/or Loans, but not for purposes of speculation, after the Administration has analyzed applicable risks and benefits of the Qualified Hedge; and (iv) which has been designated in writing to the Trustee by an Authorized Officer as a Qualified Hedge.

"Qualified Hedge Provider" means an entity that each Rating Agency has confirmed would not result in a negative impact on the then-current rating of the Bonds.

"Rating Agency" means Moody's Investor's Service ("Moody's"), so long as Moody's maintains a rating on the Bonds, and any nationally recognized rating agency then rating the Bonds at the request of the Administration.

"Recovery Payment" means any money representing principal of a Loan and any premium or penalty with respect thereto received or recovered by the Administration, in excess of any expenses necessarily incurred by the Administration in collection thereof, from (i) the sale or other disposition of a Development, (ii) Prepayments, (iii) condemnation of a Development or part thereof, to the extent not needed to improve or repair the Development, (iv) other proceedings taken in the event of default by the Borrower, (v) the sale or other disposition of a Loan and Mortgage in default for the purpose of realizing on the mortgagee's interest therein, (vi) to the extent not needed to improve or repair the Development, hazard insurance, or (vii) the payment of principal of a Loan by a Credit Enhancer as a result of any of the events described in the preceding clauses (ii) through (vi) with respect to a Loan subject to Credit Enhancement.

"Redemption Price" means, with respect to any Bonds, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof.

"Refunding Bonds" means any bonds issued by the Administration to refund one or more Series of Bonds or any portion thereof. Bonds issued for the purpose of refunding bonds, notes or other obligations, whether issued by the Administration or any other person, under any authorizing or issuing document, resolution, certificate or indenture other than the Bond Resolution are not Refunding Bonds under the Bond Resolution.

"Revenues" means all payments, proceeds, rents, charges and other cash income derived by or for the account of the Administration from or related to the Program, including, without limitation, the payments of principal of and interest on Loans (whether paid by or on behalf of the Borrower), including the payments of principal of and interest on Loans subject to Credit Enhancement, and investment income from all funds and accounts subject to the lien of the Bond Resolution, and Hedge Receipts and Termination Payments but not including Recovery Payments, Escrow Payments, Service Charges or Acquired Development Receipts, and not including any fees received by the Administration for its own account pursuant to annual contribution contracts between the Administration and HUD, if any, with respect to Developments financed by Loans, or financing, commitment or similar fees or charges of the Administration at or prior to the time of making, purchasing or otherwise financing a Loan. Any arbitrage rebate payable to the United States are not Revenues and are not subject to the lien of the Bond Resolution.

"Review Committee" means the Department's Housing Finance Review Committee established by the Act. Further information about the Review Committee is set forth in APPENDIX B - "THE DEPARTMENT AND THE ADMINISTRATION - General Information."

"Series 1996 A Bonds" means the Administration's Housing Revenue Bonds, Series 1996 A Bonds.

"Servicer" means the Administration or any other public or private institution (including the Trustee) with which the Administration shall execute a contractual agreement for the servicing of a Loan, including the collection and deposit of payments and proper application of Escrow Payments.

"Sinking Fund Installment" means any amount of money required by or pursuant to a Series Resolution to be paid on a specified date by the Administration toward the retirement of any particular Term Bonds before maturity.

"Subordinate Contract Obligation" means (a) any payment obligation of the Administration (other than a payment obligation constituting a Parity Obligation) arising under any Qualified Hedge, or portion of a Qualified Hedge, which has been designated as constituting a "Subordinate Contract Obligation" pursuant to the Series Resolution or Supplemental Resolution authorizing such Qualified Hedge and (b) any other contract, agreement or other obligation authorized by a Series Resolution or Supplemental Resolution and designated as constituting a "Subordinate Contract Obligation" in such authorizing Series Resolution or Supplemental Resolution. Each Subordinate Contract Obligation shall be payable from Revenues subject and subordinate to the payments to be made with respect to the Parity Obligations, and shall be secured by a lien on and pledge of Revenues junior and inferior to the lien on and pledge of the Revenues herein created for the payment of the Parity Obligations.

“Subseries” means a portion of a Series of Bonds as specified in the Supplemental Resolution authorizing the issuance of such Series of Bonds.

"Termination Payment" means, with respect to a Qualified Hedge, an amount required to be paid by the Administration to a Qualified Hedge Provider as a result of the termination of the related Qualified Hedge or required to be paid by the Administration into a collateral account as a source of payment of any termination payments, provided that Termination Payments shall always be Subordinate Contract Obligations.

"Termination Receipt" means an amount required to be paid to the Administration under a Qualified Hedge by the Qualified Hedge Provider as a result of the termination of such a Qualified Hedge.

APPENDIX B

THE DEPARTMENT AND THE ADMINISTRATION

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 an agency in the Division of Development Finance of the Department.

The Secretary is the head of the Department and is appointed by the Governor 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. A chart showing the organization of the Department, its divisions, the Administration and the Maryland Housing Fund, a mortgage insurance fund which is an agency in the Division of Credit Assurance ("MHF"), is included at the end of this Appendix.

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 Administration is an agency within the Division of Development Finance.

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. MHF is an agency of the Department assigned to the Division of Credit Assurance.

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. MHF's finance function is a part of the Division of Finance and Administration.

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

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 the Bond Resolution and other bond indentures of the Administration in excess of the amounts required to pay principal of and interest on its bonds and notes.

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 cda_bonds@mdhousing.org.

Principal Executive Officers

Certain principal executive officers of the Department and the Administration are briefly described below.

Raymond A. Skinner was appointed by the Governor as Secretary of the Department effective February 12, 2007. From January, 2003 until his current appointment as Secretary, Mr. Skinner was President of The Skinner Group, LLC, a consulting firm providing services in housing policy analysis, community revitalization, and economic development. Mr. Skinner previously served as Secretary of the Department between December, 1998 and January, 2003, and as Deputy Secretary from January, 1995 until his earlier appointment as Secretary. From January, 1991, until his appointment as Deputy Secretary, Mr. Skinner served as the Director of the Department of Housing and Community Development of Prince George's County, Maryland, and as Executive Secretary to the Board of Commissioners of the Housing Authority of Prince George's County. Previously, he was the Executive Director of the District of Columbia Office of Business and Economic Development. In all, Mr. Skinner has over 30 years of experience in housing and community development, having held positions with the Department of Housing and Urban Development, the City of Philadelphia, Pennsylvania, and the City of Baltimore, Maryland. He holds a Bachelor of Science Degree from the Pennsylvania State University and a Master of City Planning degree from the University of Pennsylvania.

Clarence J. Snuggs was appointed by the Secretary, with the approval of the Governor, effective March 26, 2007, as Deputy Secretary of the Department. Since 2003, Mr. Snuggs served as Director of Enterprise Community Partners' Baltimore office. In that capacity he had overall responsibility for operating the office and its programs, which focused on affordable housing production, capacity building for local community leaders and community-based organizations, public education system reforms and other community development initiatives. Between 1998 and 2003, Mr. Snuggs was Deputy Executive Director and Corporate Treasurer for the Congressionally-chartered Neighborhood Reinvestment Corporation in Washington, D.C. Prior to Neighborhood Reinvestment, Mr. Snuggs served as Vice President for Community Lending at Maryland National Bank and Signet Bank. Mr. Snuggs has been active in affordable housing and community development for nearly 20 years through his leadership and involvement in a host of regional and local community and civic organizations. He holds a Bachelor of Arts degree from Winston-Salem State University and a MBA degree from Howard University.

Stephen D. Silver was appointed on August 26, 2009 as Chief Financial Officer of the Department. From September, 2007 to his recent appointment, Mr. Silver served as Vice President of Finance for a private Baltimore real estate development firm. From November 1983 to September 2007, Mr. Silver served in various financial capacities at the Department, including Chief Financial Officer of the Department, the Administration and the Maryland Housing Fund; Director of the Department's Division of Finance and Administration; Director of Accounting for the Division of Finance and Administration, and Director of Finance for the MHF. Prior to joining the Department, Mr. Silver worked briefly with a public accounting firm in Baltimore, Maryland. Mr. Silver is a Certified Public Accountant, was granted a B.S. degree in accounting from Towson University in 1980 and received his M.B.A. degree from the University of Baltimore in 1991.

Frank B. Coakley was appointed by the Secretary with the approval of the Governor effective March 26, 2007, as Assistant Secretary of the Department responsible for the Administration and as Director of the Administration. He also previously served as Assistant Secretary and Director of the Administration between 1995 and 2000. Before his recent appointment, Mr. Coakley was Senior Vice President/Branch Administration for Harbor Bank of Maryland. Prior to joining Harbor Bank, Mr. Coakley was the Director of Fannie Mae’s Baltimore Partnership office. From 1989 until joining the Administration in 1995, Mr. Coakley served as Executive Vice President of the Baltimore Community Development Financing Corporation. Previously, he served as a manager and Vice President of Maryland National Bank. Mr. Coakley is a graduate of Morgan State University and served as a Loaned Executive to Morgan State as a Senior Adviser assisting the Community Development office on housing and housing related projects.

William F. Ariano, Jr. was appointed by the Secretary with the approval of the Governor effective July 5, 2007, as Deputy Director of the Community Development Administration. He previously served as Vice-President of Residential and Consumer Lending and CRA Officer at Chesapeake Bank of Maryland. He served in that capacity at several Baltimore community banks and his responsibilities included secondary marketing, underwriting, and the management of staff, for origination, closing, sales and post-closing of various first mortgage products. Prior to his employment in the private sector, he directed a quasi-public agency for the City of Baltimore which developed, constructed and managed rental and for-sale housing for families with low to moderate incomes, and directed a community based development corporation. Mr. Ariano holds a Bachelor of Science from Mount Saint Mary’s University and an MBA degree from Loyola University (Baltimore).

Roy A. Westlund was appointed Deputy Director, Bond Finance, for the Administration, effective as of January, 1996. For the previous seven years, he had served as the Administration’s Director of Finance. Mr. Westlund has been active in the field of housing finance since 1980, including serving as Manager of Financial Operations for the Wisconsin Housing and Economic Development Authority. Mr. Westlund is a Certified Public Accountant and holds a B.B.A. degree from the University of Wisconsin, Madison.

Senior Staff of the Administration

Senior staff members of the Administration are as follows:

Name	Position
Tonna Phelps	Director, Single Family Housing
Patricia Rynn Sylvester	Director, Multi-Family Programs
Susan Traylor	Director, Division of Finance and Administration
Brian A. Synowiec	Director, CDA Finance

As of November 2, 2009, the staff of the Administration consists of approximately 129 positions and an additional 16 vacancies, including professional and technical staff members with responsibilities in the fields of finance, mortgage loan underwriting, architectural review, construction inspection, rental services and administration. Of the entire staff, 66 are involved in Housing Development Programs in a professional or technical capacity. Certain information relating to the senior staff who have primary responsibilities for finance and housing development programs is briefly described below.

Tonna Phelps was appointed Director of Single Family Housing, effective January 13, 2003. Ms. Phelps has been with the Administration since 1977. For the ten years preceding her appointment as Director, she was the Administrator for Development Assistance Programs under the Administration's Multifamily Programs, managing federal HOME funds, the Maryland Affordable Housing Trust, and other federal and State programs. She has also served as Administrator for Mortgage Purchase under Single Family Housing. In addition, Ms. Phelps currently represents the Administration on various interagency committees throughout State government. Ms. Phelps holds a B.S. in Business Administration from the University of Baltimore.

Patricia Rynn Sylvester, Director, Multi-Family Family Housing has been with the Department since October 1997. She served as Deputy Director of Multi-Family Housing - Housing Development Programs from September 1999 until her appointment as Director of Single Family Housing in August 2002. She returned to Multifamily Housing as Director in January 2003. Prior to joining the Department she worked as an attorney with the Maryland General Assembly and served as an administrative law judge. Ms. Sylvester holds a J.D. from the University of Maryland Law School and a B.A. from Johns Hopkins University.

Susan Traylor, Director of the Division of Finance and Administration, has been with the Department since 1998, when she joined as Director of Accounting. Since 2001, she has been the Deputy Director of Finance and Administration. Prior to joining State service, she was the Chief Financial Officer of Macmillan Publishing and the Official Airlines Group. Previously, she held various financial positions with the Maxwell Communications Group and Exxon Corporation. She holds a B.A. in Economics from Western Maryland College and an M.S. in Industrial Administration from Carnegie-Mellon University.

Brian A. Synowiec was appointed Director of CDA Finance, effective April 7, 2009, having served as Acting Director since November 2008. Mr. Synowiec served as Deputy Director, CDA Finance since 2006 and prior to that as a financial analyst with the Department. Prior to joining the Department, Mr. Synowiec worked in various financial management and investment banking capacities. Mr. Synowiec holds a B.S. in Business Administration from Salisbury University. Mr. Synowiec has been with the Administration since August, 2004.

Other Housing Programs of the Department

In addition to the Program which is financed with the proceeds of the Bonds, the staff of the Administration is also responsible for a broad range of housing and other programs operated by the Department. Proceeds of Bonds and other funds held under the Bond Resolution are not used to support the Department's other programs. Revenues generated by such other programs are not subject to the lien of the Bond Resolution or available to pay principal of or interest on the Bonds. However, the executive officers of the Department and the Administration and certain senior staff members who are responsible for the Program also are responsible for the Department's other programs; therefore, under certain circumstances these other programs may compete with the Program for administrative and policy priority.

Single Family Housing. Single Family Programs include the Department's Homeownership Programs and Special Loan Programs. The Administration's Single Family Program staff operates the Department's Homeownership Programs that are funded with State appropriations. These programs, which may or may not be funded at varying levels from year to year, currently provide low-interest mortgages to low- and moderate-income home buyers. In addition, the Department may have funding available from time to time for a Downpayment and Settlement Expense Loan Program for loans to eligible borrowers who are also receiving loans under the Program. Finally, Single Family Housing also administers a federally-funded weatherization assistance program.

The Special Loan Programs, which are funded with State appropriations, provide rehabilitation loans for general rehabilitation, installation of indoor plumbing, abatement of asbestos and radon gas, reduction of lead paint, and creation of accessory shared and sheltered housing for low- and moderate-income households. Federal HOME funds may also be used to finance rehabilitation loans for low-income homeowners. These programs also provide loans to nonprofit organizations and individuals to purchase or construct Group Homes. Group Homes may be funded with state appropriations and from Bonds issued under the Bond Resolution.

Multi-Family Programs. Multi-Family Programs include the Department's Housing Production Programs and Rental Service Programs. The Department's Housing Production Programs encompass a number of finance programs which support the production, rehabilitation and preservation of affordable rental housing, including the following:

The Administration's multi-family housing revenue bond program provides financing for development of rental developments whose owners are required to set aside certain percentages of available units for families of low or moderate income.

The Rental Housing Fund consists of rental housing finance programs funded with State appropriations and federal HOME funds which provide low-interest mortgages with flexible repayment terms, interest-rate write-downs and operating subsidies to increase the supply of new rental housing and to maintain and rehabilitate existing rental housing for low income elderly and family tenants.

The Partnership Rental Housing Program provides funding from general obligation bonds and potentially other state appropriations to local governments, housing authorities, and partnerships in which these entities are involved, to assist in financing the construction or rehabilitation of low income housing. The public entities provide the land and participate in the ownership and management of the properties. The properties are intended to remain low income housing in perpetuity, and the State moneys are required to be repaid only if the low income requirements are not enforced.

The Department's Rental Service Programs include the Rental Assistance Programs and the Project-Based Section 8 Contract Administration. Under the Rental Assistance Programs, the

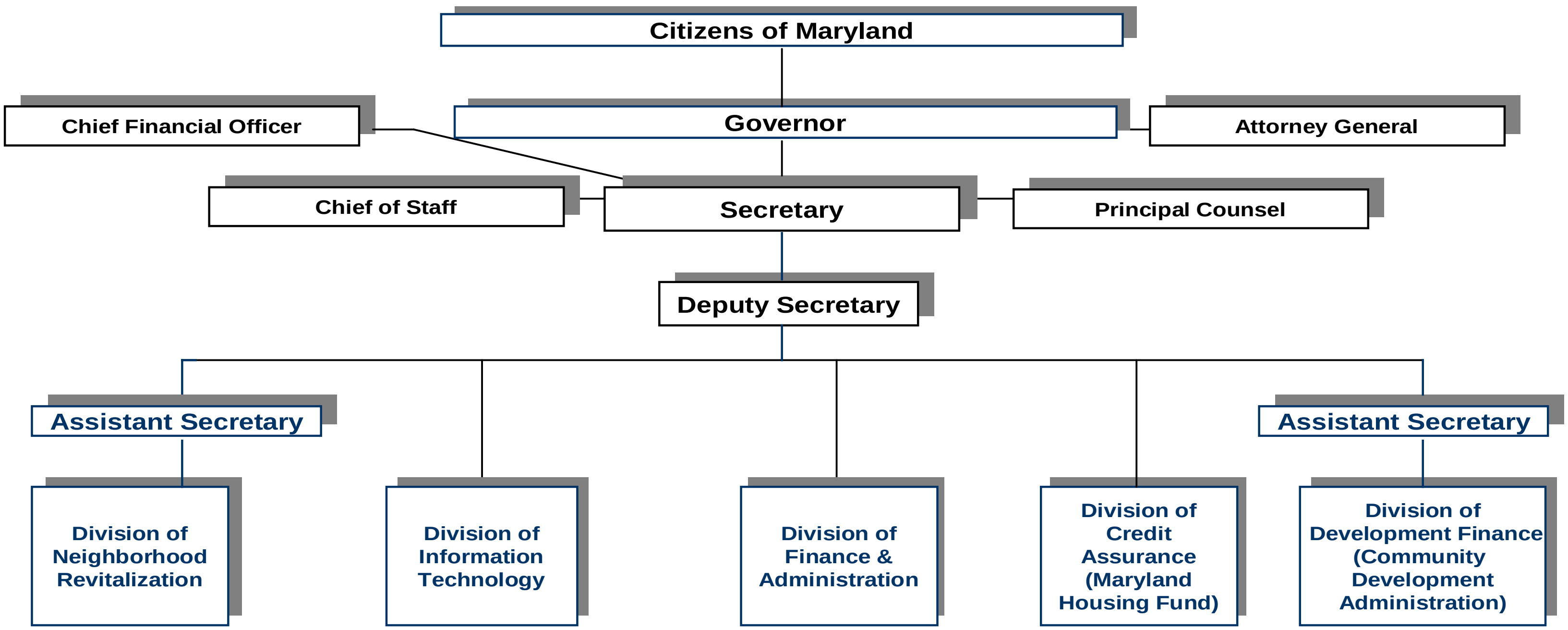
Administration administers the rental subsidies provided under Section 8 of the United States Housing Act of 1937, as amended, in 29 subdivisions of the State. The housing subsidy staff also administers a Rental Allowance Program, which is funded with State appropriations. The program is administered through local governments, and provides fixed monthly rental assistance payments up to twelve months, subject to extension by the Secretary, to lower income households that cannot be served by federal or other state programs and are either homeless or have critical and emergency housing needs.

In addition, the Department was selected by HUD as the Contract Administrator for Project-Based Section 8 Housing Assistance Payment ("HAP") Contracts for the State of Maryland. As Contract Administrator, the Department makes payments to property owners under the terms of the HAP Contracts and HUD regulations and requirements.

Infrastructure Financing Programs

The Infrastructure Financing Program was created to provide an additional, accessible and uncomplicated mechanism to finance the essential physical elements that constitute the basis of the public service system operated and maintained by local governments. These infrastructure loans and the assets and revenues held under these bond and series resolutions are not subject to the lien of the Bond Resolution and are not available to pay principal of or interest on the Bonds.

Department of Housing and Community Development
Organizational Chart



APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION

The following is a brief summary of certain provisions of the Bond Resolution, and such summary is qualified in its entirety by reference to the Bond Resolution.

Purposes for Which Bonds May Be Issued. §1.01.

Bonds may be issued under the Bond Resolution to provide funds for one or more of the following purposes:

(1) for the making, purchasing or otherwise financing of Qualified Loans;

(2) for the refinancing of Qualified Loans (including, without limitation, Qualified Loans in default);

(3) for the refunding of any or all Outstanding Bonds or any other bonds, notes or other obligations, whether or not the Administration is the issuer thereof, including any or all interest and redemption premiums thereon;

(4) for the payment of any "Development Cost" as such term is defined in the Act and any other cost, including, without limitation, costs of issuance, discount, insurance or credit enhancement premiums or fees, fees and expenses of counsel, financial advisors and other professional advisors and consultants, all as permitted by the Act;

(5) for the funding of reserves; or

(6) achieving any other of the Administration's purposes, as described in the Act, as now or hereafter in effect.

Contract with Trustee and Bondholders. §1.02.

As provided in the Act and in consideration of the acceptance by the Trustee of the trusts created pursuant to the Bond Resolution and of the purchase and acceptance of Bonds of any Series or Subseries thereof issued under the Bond Resolution by any who shall from time to time be holders thereof:

(a) The provisions of the Bond Resolution and applicable Series Resolutions shall be a contract of the Administration with the Trustee and the holders of the Bonds of each Series (or Subseries thereof).

(b) The Administration covenants that it will cause to be paid to and deposited with the Trustee all proceeds of Bonds, all payments of Loans, and all income and receipts therefrom.

Series Resolutions. §2.02.

The Administration may, in a Series Resolution, allow permitted variances from provisions of the Bond Resolution (including, without limitation, any modifications to redemption or Qualified Hedge notice provisions) and any other provisions deemed advisable by the Administration and not in conflict with or in substitution for the provisions of the Bond Resolution.

Purchase of Bonds. §4.06.

The Administration may purchase or cause to be purchased any Bonds of any particular Series (or Subseries, if applicable) or maturity in lieu of redemption of such Bonds or for any other purpose pursuant to written instructions given by the Administration to the Trustee, provided that, if the purchase price of any Bonds exceeds the then applicable Redemption Price and accrued interest to the date of purchase, such written instructions shall be accompanied by a Cash Flow Certificate which takes into account any redemption or cancellation of Bonds so purchased. Such purchases shall be made in such manner as directed by the Administration. The Administration or the Trustee shall pay the purchase price of such Bonds together with accrued interest thereon from such funds as may be available therefor pursuant to the Bond Resolution, any applicable Series Resolution, or as otherwise may be made available by the Administration.

The Administration may from time to time in its discretion invite tenders for sale of Bonds to the Administration or a person designated by the Administration, either by public offer or private invitation, at such prices or bidding procedure as may be determined by the Administration. Such tender invitations may be made in lieu of redemption of Bonds or for any other purpose.

Funds and Accounts. §5.01.

The following funds and accounts are established under the Bond Resolution:

(1) Bond Proceeds Fund;

(2) Revenue Fund;

(3) Redemption Fund;

(4) Debt Service Reserve Fund;

(5) Collateral Reserve Fund; and

(6) Acquired Development Fund.

All such funds and accounts shall be held and maintained by the Trustee. The Administration may establish accounts and sub-accounts within each fund and account to the extent consistent with the Bond Resolution and such other funds or accounts as may be authorized pursuant to a Supplemental Resolution. All monies or securities held by the Trustee pursuant to the Bond Resolution or a Supplemental Resolution shall be held in trust and applied only in accordance with the provisions of the Bond Resolution, the applicable Supplemental Resolution, the Act and other applicable law.

The Administration may at any time direct the transfer of moneys or Permitted Investments between or among any fund or account created pursuant to the Bond Resolution, provided such transfers are otherwise in accordance with the provisions of the Bond Resolution. The Administration may, but is under no obligation to, at any time deposit or cause to be deposited into any fund or account under the Bond Resolution moneys from any source, including, without limitation, funds of the Administration.

Bond Proceeds Fund. §5.02.

Any proceeds of the sale of any Series (or Subseries) Bonds representing principal, premium or other amounts required to be deposited therein pursuant to the Bond Resolution and any Supplemental

Resolution or Series Resolution and any other amounts determined by the Administration to be deposited therein from time to time shall be deposited in the related Series Account of the Bond Proceeds Fund.

Amounts in the Bond Proceeds Fund shall be expended only: (i) to finance one or more of the purposes authorized by the Bond Resolution; (ii) to pay Cost of Issuance; (iii) to pay principal of and interest on the Bonds when due, to the extent amounts in the Revenue Fund are insufficient for such purpose; (iv) to purchase or redeem Bonds; (v) to pay, purchase or redeem bonds, notes or other obligations of the Administration or any other entity; (vi) for any other use or purpose permitted by the applicable Series Resolution and the Act, and (vii) if so provided in a Supplemental Resolution, to reimburse a Credit Facility Provider or Credit Enhancer for amounts paid or obtained under a Credit Facility or Credit Enhancement for any of the purposes described in clauses (iii), (iv), (v) or (vi) of this paragraph.

The Trustee shall pay out and permit the withdrawal of amounts on deposit in the Bond Proceeds Fund at any time for the purpose of making payments pursuant to clause (i) or (ii) of the preceding paragraph, but only upon receipt of:

(1) a written requisition setting forth each amount to be paid, the person or persons to whom such payment is to be made (which may be or include the Administration) and the purpose of each such payment; and

(2) a certificate of an Authorized Officer identifying such requisition and stating that (A) the amount to be withdrawn from the Bond Proceeds Fund pursuant to such requisition is a proper charge thereon, (B) if such requisition is in connection with the financing of a Loan, including construction advances thereon, such Loan complies with the provisions of the Bond Resolution, and (C) the amount of all payments theretofore or thereupon made by the Administration does not exceed the amount necessary to finance the purpose of such payment.

At any time the Administration may direct the Trustee in writing to transfer amounts in the Bond Proceeds Fund not required for the financing of the Administration's purposes to the Redemption Fund or to apply such amounts directly to the redemption, purchase or retirement of Bonds.

Revenue Fund. §5.03.

The Administration shall cause all Revenues to be deposited promptly with the Trustee in the related Series Account of the Revenue Fund. There shall also be deposited in the Revenue Fund any other amounts required to be deposited therein pursuant to the Bond Resolution or any Supplemental Resolution or any other funds from any source directed to be deposited therein by the Administration.

The Trustee shall pay out of the Revenue Fund:

(i) on or before each Interest Payment Date or other date or dates on which the following obligations are payable, the amounts required for the payment of Parity Interest, Principal Installments or Sinking Fund Installments, if any, related to Parity Bonds, and principal payments on other Parity Obligations, and

(ii) on or before the Redemption Date or date of purchase, the amounts required for the payment of premium, if any, and accrued interest on outstanding Bonds to be redeemed or purchased on such date unless the payment of such accrued interest shall be otherwise provided for, and in each such case, such amounts shall be applied by the Trustee to such payments; provided that if, pursuant to a Supplemental Resolution, amounts obtained under a Credit Facility, Credit Enhancement or Qualified Hedge are to be used to make the payments referred to in this paragraph, then amounts in the Revenue Fund which would have otherwise been used to make such payments may be applied to reimburse the Credit Facility Provider, Credit Enhancer or Qualified Hedge Provider, as applicable, for the amounts so obtained, all in accordance with such Supplemental Resolution.

Any amount accumulated in the Revenue Fund up to the unpaid balance of each Sinking Fund Installment may, and, if so directed in writing by the Administration, shall, be applied by the Trustee prior to the fifth day preceding the date the Trustee is required to give notice of redemption of Bonds pursuant to such Sinking Fund Installment: (i) to the purchase of Bonds of the maturity for which such Sinking Fund Installment was established, or (ii) to the redemption of such Bonds, if then redeemable by their terms, at the Redemption Prices referred to above; provided that if, pursuant to a Supplemental Resolution, amounts obtained under a Credit Facility, Credit Enhancement or Qualified Hedge are to be used to make the purchases referred to in this paragraph, then amounts in the Revenue Fund which would have otherwise been used to make such purchases may be applied to reimburse the Credit Facility Provider, Credit Enhancer or Qualified Hedge Provider, as applicable, for the amounts so obtained, all in accordance with such Supplemental Resolution.

Except as otherwise provided in an applicable Supplemental Resolution, upon the purchase or redemption of any Bond, an amount equal to the principal amount of the Bonds so purchased or redeemed shall be credited toward the next Sinking Fund Installment thereafter to become due with respect to the Bonds of such maturity and the amount of any excess of the amounts so credited over the amount of the next Sinking Fund Installment shall be credited by the Trustee against future Sinking Fund Installments in direct chronological order, unless otherwise instructed in writing by an Authorized Officer at the time of such purchase or redemption. Any such instructions shall be given in such manner as, in the best judgment of the Administration, shall provide for the payment of the Sinking Fund Installments thereafter to become due from the remaining Revenues to be derived in connection with the Loans and any other Revenues expected to be available for such payments after considering the amounts payable pursuant to the Loans at such time. The portion of any Sinking Fund Installment remaining after the crediting thereto of any such amounts and of any amounts to be credited thereto (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculating Sinking Fund Installments due on a future date.

As soon as practicable after the fifth day preceding the date the Trustee is required to give notice of redemption of Bonds pursuant to any Sinking Fund Installment, the Trustee shall proceed to select and call for redemption, on such due date, Bonds of the maturity for which such Sinking Fund Installment was established in such amount as shall be necessary to complete the retirement of a principal amount of Bonds equal to the unsatisfied balance of such Sinking Fund Installment. The Trustee shall so call such Bonds for redemption whether or not it then has monies in the Revenue Fund sufficient to pay the applicable Redemption Price thereof on the Redemption Date. The Trustee shall pay out of the Revenue Fund the amount required for the redemption of the Bonds so called for redemption, and such amount shall be applied by the Trustee to such redemption; provided that if, pursuant to a Supplemental Resolution, amounts obtained under a Credit Facility, Credit Enhancement or Qualified Hedge are to be used to make the payments referred to in this paragraph, then amounts in the Revenue Fund which would have otherwise been used to make such payments may be applied to reimburse the Credit Facility Provider, Credit Enhancer or Qualified Hedge Provider, as applicable, for the amounts so obtained, all in accordance with such Supplemental Resolution.

On each Interest Payment Date, following the payments made in accordance with subsection (b) above, and subject to the requirements and priorities set forth in any applicable Series Resolution authorizing a Series of Bonds, the Trustee shall transfer from the Revenue Fund:

(i) first, an amount equal to the amount necessary to be transferred to the related Series Account of the Debt Service Reserve Fund for each Series of Parity Bonds in order that the amount on deposit therein be equal to the Debt Service Reserve Requirement (or such lesser amount as may be available) with respect to such Series,

(ii) second, to the Bond Proceeds Fund, such amount as the Administration determines is required to finance the purposes or uses described in the Bond Resolution, as evidenced by a certificate of an Authorized Officer,

(iii) third, if so directed by the Administration, to the Trustee, an amount equal to the Trustee's unpaid fees and expenses,

(iv) fourth, if so directed by the Administration, to any Credit Facility Providers, Credit Enhancers or Qualified Hedge Providers an amount equal to any fees due and owing to such Credit Facility Providers, Credit Enhancers or Qualified Hedge Providers,

(v) fifth, to the Administration, an amount equal to any Operating Expenses, to the extent unpaid,

(vi) sixth, to the entities providing Permitted Investments with respect to the funds and accounts or any arrangements or agreements with respect thereto, amounts equal to the fees due and payable on or before the next succeeding Interest Payment Date to such entities, as designated in a certificate of an Authorized Officer, provided that the transfers made pursuant to the foregoing clauses (ii) through (v) shall be consistent with the most recent Cash Flow Statement or Cash Flow Certificate, and

(vii) seventh, interest on Subordinate Contract Obligations and principal payments or other amounts (including Termination Payments) due under, other Subordinate Contract Obligations.

If the amounts to be transferred pursuant to the foregoing clauses (ii) through (v) are greater than permitted by the most recent Cash Flow Statement or Cash Flow Certificate, such greater amounts may be transferred upon the receipt by the Trustee of a new Cash Flow Statement or Cash Flow Certificate taking such increased transfers into account. At any time after the transfers described in (i) through (viii) above have been made, except as otherwise provided in a Series Resolution, the Administration may upon the written request of an Authorized Officer and upon filing with the Trustee of a Cash Flow Statement or a Cash Flow Certificate, withdraw free and clear of the lien of the Bond Resolution any amount remaining in the Revenue Fund.

The Trustee may at any time make transfers from the Revenue Fund, upon the written direction of an Authorized Officer, to the Redemption Fund for the purposes of such fund. No such transfer shall be made, however, unless there is on deposit in the Revenue Fund after such transfer an amount equal to the Debt Service accrued on all Outstanding Bonds, and any amounts accrued on Parity Obligations and Subordinate Contract Obligations, as of the date of such transfer.

No payments shall be required to be made into the Revenue Fund so long as the amount on deposit therein shall be sufficient to pay all outstanding Bonds (including the Sinking Fund Installments for the retirement thereof) Parity Obligations, and Subordinate Contract Obligations in accordance with their terms, and any Revenues thereafter received by the Administration may be applied to any lawful purpose of the Administration free and clear of the pledge and lien of the Bond Resolution.

The Administration reserves the right to transfer any legally available funds, including, without limitation, proceeds of Refunding Bonds, to the Trustee for credit to the Revenue Fund to pay all or a portion of scheduled principal or interest payments on any Loan, to cure or avert a default on any Loan, or to make any payment of principal, premium, interest or Sinking Fund Installment with respect to any or all of the Bonds. The Administration shall be entitled to recover from the Borrower any amounts so advanced, together with interest thereon at the rate payable on the Loan, or to enforce its right to such recovery under the Loan.

Redemption Fund. §5.04.

The Trustee shall credit to the Redemption Fund all Recovery Payments, moneys permitted to be transferred from the Debt Service Reserve Fund, the Revenue Fund and the Bond Proceeds Fund and any other amounts provided by or on behalf of the Administration (including, without limitation, proceeds of refunding bonds or other obligations); each of which shall be used and applied, as directed by an Authorized Officer, to any of the following purposes: (i) to provide additional funds to the Bond Proceeds Fund for an increase in the amount of a Loan authorized by the Administration or for new Loans to be made, purchased or financed by the Administration, (ii) for the purchase or redemption of Outstanding Bonds as directed by an Authorized Officer, or (iii) for transfer to the Revenue Fund of amounts included in a Recovery Payment representing interest on a Loan. Upon the direction of an Authorized Officer, the Trustee shall transfer any excess funds then held in the Redemption Fund to the Revenue Fund.

Upon receipt of the instructions from an Authorized Officer, the Trustee shall apply money in the Redemption Fund not otherwise applied in accordance with the foregoing paragraph to the purchase of Bonds so designated at the most advantageous price obtainable or the redemption of Bonds.

If, pursuant to a Supplemental Resolution, amounts obtained under a Credit Facility are to be used to purchase or redeem Bonds, then amounts in the Redemption Fund which would otherwise have been used for such purposes may be applied to reimburse the Credit Facility Provider for the amounts so obtained, all in accordance with such Supplemental Resolution.

Debt Service Reserve Fund. §5.05.

If moneys in the Revenue Fund are insufficient to provide for the payment when due of any Principal Installment, interest on the Bonds or any Sinking Fund Installment, the Trustee shall withdraw from the Debt Service Reserve Fund and pay into the related Series Account of the Revenue Fund the amount of the deficiency then remaining. See "Security for the Bonds - Debt Service Reserve Fund."

Collateral Reserve Fund. §5.06.

Moneys or Cash Equivalents shall be deposited into the related Series Account of the Collateral Reserve Fund in accordance with the requirements of a Series Resolution or a Supplemental Resolution, which may establish terms, conditions and provisions relating to the funding of the Collateral Reserve Fund, disbursement of moneys or Cash Equivalents from such fund, and maintenance of moneys or Cash Equivalents required to be held in such fund with respect to either a Series of Bonds or generally. The amount of moneys or Cash Equivalents required to be held in the Collateral Reserve Fund may be reduced upon receipt by the Trustee of a Cash Flow Certificate taking into account such reduction, which Cash Flow Certificate shall also state that such reduction, in and of itself, will not cause or result in a reduction of the rating or ratings on the Bonds in effect immediately before such reduction. Any balance in the Collateral Reserve Fund in excess of the Collateral Reserve Requirement, may, at the direction of an Authorized Officer, be withdrawn from the Collateral Reserve Fund and credited by the Trustee to any other fund.

Acquired Development Fund. §5.07.

Acquired Development Receipts shall be held by the Trustee in the Acquired Development Fund and shall be used solely for the payment of Acquired Development Expenses; provided that any amount specified by an Authorized Officer as not being needed to maintain the Acquired Development Expense Requirement shall be transferred to the Revenue Fund. Payments from the Acquired Development Fund shall be made upon the direction of an Authorized Officer. Upon receipt of each such direction of an Authorized Officer, the Trustee shall pay the amount stated therein to the Administration by check or draft or shall arrange for the transfer, deposit or payment of such amounts as directed by the Authorized Officer.

Enforcement of Loan Provisions. §6.05.

The Administration shall take all reasonable steps, actions and proceedings it deems appropriate or necessary for the enforcement of all terms, covenants and conditions of Loans made, purchased or financed by the Administration, including the prompt collection of Loan repayments and fees and charges and other Revenues.

The Administration may, in its discretion, modify, amend or alter any security for, or any terms or provisions, of any Loan or Mortgage, provided that, if such modification, amendment or alteration is material, the Administration has filed with the Trustee a Cash Flow Certificate taking such sale, release, modification, amendment or alteration into account. The Administration may, in its discretion, materially modify, amend, alter, cancel or release Credit Enhancement of any Loan, provided the Administration has filed with the Trustee a Cash Flow Certificate taking such modification, amendment, alteration, cancellation or release into account and a certificate of an Authorized Officer to the effect that any such modification, amendment, alteration, cancellation or release will not adversely affect the rating on the Bonds as in effect immediately before the date of such certification.

Whenever the Administration deems it necessary or appropriate to protect and enforce the rights of the Administration under a Mortgage securing a Loan and to protect and enforce the rights and interests of Bondholders under the Bond Resolution, the Administration either shall (i) make claim under any Credit Enhancement relating to the Loan and, if required, assign such Loan to the Credit Enhancer, (ii) commence foreclosure proceedings against the Borrower or the Development, or (iii) take such other action or exercise such other rights of the Administration upon default with respect to the Borrower or the Development as may be determined by the Administration to be in the best interests of the Bondholders. If the Loan is the subject to any Credit Enhancement, the Administration may take such actions or commence such proceedings (or refrain therefrom) as necessary or required by the Credit Enhancer and any applicable rules, regulations or procedures applicable to any Credit Enhancement in order to collect upon or exercise its rights with respect to the Credit Enhancement. To the extent necessary for the protection and enforcement of its rights under such Mortgage, the Administration may accept a deed in lieu of foreclosure or bid for and purchase the Development covered by such Mortgage at the foreclosure or other sale thereof and may acquire and take possession of such Development if to do so would, in the Administration's judgment, be in the best interests of the Bondholders.

Upon foreclosure of a Mortgage or upon acquisition of an Acquired Development in lieu of foreclosure of a Mortgage, and so long as the Administration shall have title to or be in possession of the

Acquired Development, the Administration may, as the case may be, construct, operate and administer such Acquired Development in the place and stead of the Borrower. To the extent moneys on deposit in the Bond Proceeds Fund relating to the Acquired Development or other moneys are available for such purpose, the Administration may apply such moneys to complete the construction and development thereof, if not already completed. The Administration may pay or make provision for payment of the costs and expenses of taxes, insurance, foreclosure fees, including appraisal and legal fees and similar expenses required to preserve or acquire unencumbered title to the Acquired Development from money withdrawn from the Acquired Development Fund. The Trustee is authorized to pay to the Administration, upon its request, any amount on deposit in the Bond Proceeds Fund with respect to any Acquired Development foreclosed or otherwise acquired by the Administration, upon receipt of advice from an Authorized Officer that such amount is required to pay an item that would have been included in the cost of the Acquired Development had the Administration not acquired the same.

Upon or after foreclosure of a Development under a Mortgage or acquisition thereof from the Borrower in lieu of foreclosure:

(1) the Administration may convey title to the Acquired Development, provided that such conveyance results in the collection of Credit Enhancement benefits, if any, relating to the Loan;

(2) the Administration may sell the Acquired Development at the best obtainable price, as determined by and in the judgment of the Administration;

(3) the Administration may sell the Acquired Development to a Borrower and make a Loan with respect thereto, as if such Borrower were the original Borrower;

(4) if the Acquired Development has not been completed, the Administration may elect to complete all or any part thereof and sell the Acquired Development as completed and any land not required for such completion as separate parcels for an aggregate price determined in accordance with paragraphs (2) or (5) above; or

(5) notwithstanding the foregoing, if the fair market value of the Acquired Development, as determined by the Administration based on such appraisals as it deems necessary, is less than the amount computed in accordance with the Bond Resolution, it may nevertheless be sold at its fair market value.

Prepayments of Loans. §6.06.

The Bond Resolution provides that the Administration will not consent to the Prepayment of any Loan unless all of the following requirements are met:

(1) The Prepayment is permitted by the Credit Enhancer (if any) of the Loan.

(2) The Administration requires that any voluntary Prepayment shall be in an amount determined by the Administration to be sufficient to provide for payment by the Administration of the following:

(i) an amount sufficient to redeem all Bonds that the Administration, in its discretion, determines to redeem in connection with such Prepayment ("Redemption Bonds") in a principal amount at least equal to the amount of the Prepayment as of the date selected by the Administration for redemption of such Redemption Bonds (the "Redemption Date");

(ii) the interest to accrue on the Redemption Bonds to such Redemption Date and premium due on such Redemption Bonds, if any; and

(iii) the costs and expenses of the Administration in effecting such redemption.

(3) In addition to the foregoing, the Administration may require that any voluntary Prepayment shall include an amount sufficient to provide for payment of other costs and expenses incurred in connection with the issuance of the Outstanding Bonds of the Series from which proceeds were used to finance the Loans, as determined by the Administration (including, without limitation capitalized interest, costs of issuance, reserves, bond discount and legal fees not included in the principal of the Loan).

(4) If required, the Administration furnishes to the Trustee a Cash Flow Certificate taking such Prepayment into account.

In determining the foregoing amount, the Administration may include a reasonable estimate of income to be derived from the investment of such Prepayment until the Redemption Date.

Sale of Loans; Release from Lien of Bond Resolution. §6.07.

The Administration is authorized to sell, assign or otherwise dispose of a Loan (and to release the same from the lien of the Bond Resolution), in addition to a sale, assignment or disposition otherwise permitted under the Bond Resolution or any applicable Supplemental Resolution, provided the proceeds of such sale, assignment or disposition shall be treated as a Recovery Payment for purposes of the Bond Resolution and provided, further, that, with respect to any Loan not in default, the Administration files with the Trustee a Cash Flow Certificate taking into account such sale, assignment or disposition.

The Administration is authorized to release a Loan from the lien of the Bond Resolution, provided the Administration files with the Trustee a Cash Flow Certificate taking into account such release.

The Administration is authorized to release a Loan secured by a Credit Facility or Credit Enhancement, reserves created or held with respect to such Loan or the Series of Bonds (or portion of such Series) issued to make, purchase or finance such Loan and any other moneys to be received with respect to such Loan from the lien of the Bond Resolution at the direction of the Credit Facility Provider or Credit Enhancer which issued or provided any Credit Facility securing the Series of Bonds which financed the Loan or the Credit Enhancement securing the Loan, provided such Credit Facility or Credit Enhancement continues in effect. Such release may occur only after payment is made under the terms of the Credit Facility or Credit Enhancement.

Maintenance of Debt Service Reserve Requirement. §6.08.

In the event the amounts held in the Debt Service Reserve Fund shall for any reason be less than the Debt Service Reserve Requirement, the Administration shall cause deposits to be made to the Debt Service Reserve Fund from moneys available in the Revenue Fund until the amounts in such fund shall equal or exceed the Debt Service Reserve Requirement. *The failure of the Administration to maintain the Debt Service Reserve Requirement shall not, in and of itself, constitute an Event of Default under the Bond Resolution*. See "SECURITY FOR THE BONDS - Debt Service Reserve Fund."

Accounts and Reports. §6.09.

The Administration shall keep, or cause to be kept, proper books of record and account in which complete and accurate entries shall be made of all its transactions relating to the Program and all funds and accounts established by or pursuant to the Bond Resolution, which shall at all reasonable times be subject to the inspection of the Trustee or of the holders of an aggregate of not less than five percent in principal amount of Bonds then Outstanding or their representatives duly authorized in writing.

Annually, within 180 days after the close of each Fiscal Year, the Administration shall file with the Trustee, and otherwise as provided by law, a copy of an annual report for such Fiscal Year, accompanied by an Accountant's Report, including the following statements in reasonable detail: a statement of assets and liabilities as of the end of such period and a statement of income, expenses and changes in fund balances for such period. Revenues and expenses shall be accrued, and assets shall be valued in such manner as is deemed by the Administration and the accountant to be necessary to present fairly the results of operations for the Fiscal Year and the financial position of such funds and accounts at the end of the Fiscal Year in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding Fiscal Year.

Cash Flow Statements and Certificates. §6.13.

See the discussion of Cash Flow Statements and Cash Flow Certificates under the heading "Security for the Bonds - Cash Flow Statements and Certificates."

A Cash Flow Statement shall be based upon the Administration's reasonable expectations, and shall be based upon assumptions consistent with those used in the most recent Cash Flow Statement or such other assumptions as shall not adversely affect any of the Rating Agency's ratings on the Bonds. In calculating the amount of interest due on Bonds in the current and each succeeding Bond Year in which Bonds are scheduled to be Outstanding on Bonds bearing interest at a variable rate as defined in a Supplemental Resolution, the interest rate used shall be assumed to be the fixed rate, which in the judgment of the remarketing agent for such Bonds, or such other financial consultant selected by the Administration and experienced in the sale of municipal securities (having due regard to the prevailing market conditions), would be necessary to enable such Bonds to be sold at par in the secondary market on the date of such calculation or such higher or lower rate which does not adversely affect any of the Rating Agency's ratings on the Bonds. The calculations contained in a Cash Flow Statement may be prepared by the Administration or a financial advisor or a financial or accounting firm acceptable to the Administration.

Discharge of Lien. §7.01.

If the Administration shall pay or cause to be paid, or there shall otherwise be paid or provision for payment made, to the holders of particular Parity Obligations and Subordinate Contract Obligations the principal of, premium, if any, and interest due or to become due thereon at the times and in the manner stipulated therein and in the Bond Resolution, then unless the Trustee is advised by an Authorized Officer to the contrary, these presents and the estate and rights hereby granted shall cease, determine and be void, with respect to such Parity Obligations and Subordinate Contract Obligations, whereupon the Trustee shall cancel and discharge the lien of the Bond Resolution, and execute and deliver to the Administration such instruments in writing as shall be requisite to release the lien hereof, and reconvey, release, assign and deliver unto the Administration any and all the estate, right, title and interest in and to any and all rights or property assigned or pledged to the Trustee or otherwise subject to the lien of the Bond Resolution, except cash held by the Trustee or any Paying Agent for the payment of the principal of, premium, if any, and interest on the particular Parity Obligations and Subordinate Contract Obligations.

Any particular Parity Obligations or Subordinate Contract Obligations shall be deemed to be paid for all purposes of the Bond Resolution when payment of the principal of, premium, if any, and interest thereon to the due date thereof (whether such due date is by reason of maturity or upon redemption as provided herein) either: (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided by irrevocably depositing with the Trustee, in trust and irrevocably set aside exclusively for such payment (A) moneys sufficient to make such payment or (B) either Federal Obligations or Pre-Refunded Municipal Obligations maturing as to principal and interest in such amount and at such time as will ensure, together with any moneys held for payment of the Parity Obligations or Subordinate Contract Obligations, the availability of sufficient moneys to make such payment. At such times as a particular Parity Obligation or Subordinate Contract Obligation shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits of the Bond Resolution, except for the purposes of any such payment from such moneys, Federal Obligations or Pre-Refunded Municipal Obligations.

Notwithstanding the foregoing, no deposit under clause (B) of the immediately preceding paragraph shall be deemed a payment of such Parity Obligations and Subordinate Contract Obligations as aforesaid until: (i) proper notice of redemption of such Parity Obligations or Subordinate Contract Obligations shall have been previously given in accordance with the Bond Resolution, or in the event said Parity Obligations or Subordinate Contract Obligations are not by their terms subject to redemption within the next succeeding 60 days, until the Administration shall have given the Trustee, in form satisfactory to the Trustee, irrevocable instructions to notify, as soon as practicable, the Parties or holders or owners of the Parity Obligations or Subordinate Contract Obligations, in accordance the Bond Resolution that the deposit required by subparagraph (ii) above has been made with the Trustee and that said Parity Obligations and Subordinate Contract Obligations are deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or redemption price, if applicable, on said Parity Obligations and Subordinate Contract Obligations; or (ii) the maturity of such Parity Obligations and Subordinate Contract Obligations.

Notwithstanding the foregoing, in the case of Parity Obligations or Subordinate Contract Obligations which by their terms may be redeemed prior to their stated maturity, no deposit under the immediately preceding paragraph shall be deemed a payment of such Parity Obligations or Subordinate Contract Obligations as aforesaid until the Administration shall have given the Trustee, in form satisfactory to the Trustee, irrevocable instruction:

(i) stating the date when the principal (and premium, if any) of each such Parity Obligations or Subordinate Contract Obligations is to be paid, whether at maturity or on a redemption date;

(ii) to call for redemption pursuant to the Bond Resolution any Parity Obligations or Subordinate Contract Obligations to be redeemed prior to maturity pursuant to paragraph (i) above; and

(iii) to notify, as soon as practicable, in the manner prescribed by the Bond Resolution the holders of such Parity Obligations or Subordinate Contract Obligations that the deposit required has been made with the Trustee and that said Parity Obligations or Subordinate Contract Obligations are deemed to have been paid in accordance with this Section and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal or redemption price, if applicable, on said Parity Obligations or Subordinate Contract Obligations as specified in paragraph (i) above.

If the Administration shall pay or cause to be paid, or there otherwise shall be paid to the Parties to or the holders of all Parity Obligations and Subordinate Contract Obligations, the principal or Redemption Price, if applicable, thereof and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Bond Resolution, such Parity Obligations and Subordinate Contract Obligations shall cease to be entitled to any lien, benefit or security under the Bond Resolution and the applicable Series Resolution, and the applicable Series Resolution and all covenants, agreements and obligations of the Administration to Parties to or the holders of such Parity Obligations and Subordinate Contract Obligations shall thereupon cease, terminate and become void and be discharged and satisfied.

All moneys so deposited with the Trustee as provided in this Section may at the direction of the Administration also be invested and reinvested in Federal Obligations or Pre-Refunded Municipal Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from all Federal Obligations or Pre-Refunded Municipal Obligations in the hands of the Trustee which is not required for the payment of the Parity Obligations and Subordinate Contract Obligations and interest and premium, if any, thereon with respect to which such moneys shall have been so deposited shall be deposited in the Revenue Fund as and when realized and collected for application as are other moneys deposited in such fund. The Trustee may sell, transfer or otherwise dispose of the Federal Obligations and Pre-Refunded Municipal Obligations deposited with the Trustee pursuant to this Section; provided that the amounts received upon any such sale, transfer or other disposition, or a portion of such amounts, shall be applied to the purchase of other Federal Obligations and Pre-Refunded Municipal Obligations, the principal of and the interest on which when due will provide monies which, together with the monies on deposit with the Trustee, shall be sufficient to pay when due the principal or Redemption Price, if applicable, of and interest due and to become due on said Parity Obligations and Subordinate Contract Obligations on and prior to the redemption date or maturity date thereof, as the case may be.

All moneys, Federal Obligations and Pre-Refunded Municipal Obligations set aside and held in trust pursuant for the payment of Parity Obligations and Subordinate Contract Obligations (including interest and premium thereon, if any) shall be applied to and used solely for the payment of the particular Parity Obligations and Subordinate Contract Obligations (including interest and premium thereof, if any) with respect to which such moneys, Federal Obligations and Pre-Refunded Municipal Obligations have been so set aside in trust.

Events of Default. §8.01.

Each of the following shall constitute an event of default under the Bond Resolution:

(a) Interest on any Series of Parity Bonds is not paid within 30 days after the same becomes due, or the principal or redemption price of such Series of Parity Bonds is not paid at maturity or at a redemption date at which Series of Parity Bonds have been called for redemption, or a Sinking Fund Installment relating to such Series of Parity Bonds is not paid when due;

(b) If there is a material default in the performance or observance of any other of the Administration’s covenants, agreements or conditions contained in the Bond Resolution, a Series Resolution or the Bonds of a Series, and such default is not remedied after notice thereof; or

(c) If the Administration shall file a petition seeking a composition of indebtedness under the federal bankruptcy laws, or under any other applicable law or statute of the United States of America or of the State.

No default under clause (b) above shall constitute an Event of Default until actual notice of such default shall be given to the Administration by the Trustee or by the holders of not less than 100% in aggregate principal amount of all Bonds Outstanding and the Administration shall have had 180 days after receipt of such notice to correct said default or cause said default to be corrected, and shall not have corrected said default or caused said default to be corrected within the applicable period; provided that if said default be such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by the Administration within the applicable period and diligently pursued until the default is corrected.

Under no circumstances shall the Administration's failure to pay (i) Parity Obligations other than Bonds, (ii) Termination Payments or (iii) Subordinate Contract Obligations constitute an Event of Default.

Remedies; Rights of Bondholders. §8.02.

Upon the occurrence of an Event of Default described in Paragraph (a) under the heading "Events of Default. §8.01" above, the Trustee may pursue any available remedy under the Act, at law or in equity to enforce the payment of the principal and interest on the Parity Obligations and Subordinate Contract Obligations then Outstanding, including, declaring the principal of all Parity Obligations and Subordinate Contract Obligations Outstanding and the interest accrued thereon to be immediately due and payable, whereupon such Parity Obligations and Subordinate Contract Obligations shall thereupon become immediately due and payable.

In addition, upon the occurrence of an Event of Default, the Administration shall:

(a) if requested so to do by the holders of no less than 100% in aggregate principal amount of Bonds then Outstanding, effectuate the assignment to the Trustee of any or all of the Loans and Mortgages held by the Administration and financed under the Program;

(b) subject the books of record and account of the Administration and all records relating to the Program to the inspection and use of the Trustee and of its agents and attorneys; and

(c) whenever the Trustee shall demand, account as if it were the trustee of an express trust for all Revenues and other money, securities and funds and accounts pledged or held under the Bond Resolution for such period as shall be stated in such demand.

Right of Bondholders to Direct Proceedings. §8.03.

The holders of 100% of the aggregate principal amount of Bonds then Outstanding 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 Bond Resolution, or for the appointment of a receiver or any other proceedings under the Bond Resolution; provided that such direction shall not be otherwise than in accordance with the provisions of law and of the Bond Resolution.

Rights and Remedies of Bondholders. §8.07.

No holder of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of the Bond Resolution or for the execution of any trust hereof or for the appointment of a receiver or any other remedy under the Bond Resolution, unless (1) a default has occurred of which the Trustee has been notified or of which it is deemed to have notice, (2) such default shall have become an Event of Default and the owners of not less than 100% in aggregate principal amount of Bonds then Outstanding shall have made written notice to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in their own name or names, (3) they have offered to the Trustee indemnity as required by the Bond Resolution, and (4) the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name. All proceedings at law or in equity shall be instituted, had and maintained for the equal and ratable benefit of the holders of all Bonds then Outstanding (other than owners of Subordinate Bonds, who shall be entitled to the priority established with respect to the applicable Series of Subordinate Bonds). However, nothing contained in the Bond Resolution shall affect or impair the right of any Bondholders to enforce the payment of the principal of and interest on any Bond at and after the maturity thereof, or the obligation of the Administration to pay the principal of and interest on each of the Bonds issued under the Bond Resolution to the respective holders thereof at the time, place, from the source and in the manner expressed in the Bonds.

Waivers of Events of Default. §8.09.

The Trustee may at its discretion waive any Event of Default under the Bond Resolution and its consequences, and shall do so upon the written request of the holders of (1) more than 100% in aggregate principal amount of all the Bonds then Outstanding in respect of which default in the payment of principal or interest, or both, exists, or (2) more than 50% in aggregate principal amount of all Bonds then Outstanding in the case of any other default; provided that there shall not be waived (a) any Event of Default in the payment of the principal of any Outstanding Bonds at the date of maturity or sinking fund redemption date specified therein or (b) any default in the payment when due of the interest on any such Bonds unless, prior to such waiver or rescission, all arrears of interest or all arrears of payments of principal when due, as the case may be, with interest on overdue principal at the rate borne by the Bonds, and all expenses of the Trustee in connection with such default shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceedings taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the Administration, the Trustee and the Bondholders shall be restored to their former positions and rights under the Bond Resolution, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

Supplemental Bond Resolutions. §9.01 - §9.03.

For any one or more of the following purposes and at any time or from time to time, a resolution of the Administration supplementing the Bond Resolution may be adopted, which resolution, upon filing with the Trustee of a copy thereof certified by an Authorized Officer, shall be fully effective in accordance with its terms to:

(a) close the Bond Resolution against, or provide limitations and restrictions in addition to the limitations and restrictions contained in the Bond Resolution on, the issuance in the future of Bonds;

(b) add to the covenants or agreements of the Administration in the Bond Resolution, other covenants or agreements to be observed by the Administration which are not contrary to or inconsistent with the Bond Resolution as theretofore in effect;

(c) add to the limitations, restrictions or provisions in the Bond Resolution, other limitations, restrictions or provisions to be observed by the Administration which are not contrary to or inconsistent with the Bond Resolution as theretofore in effect;

(d) surrender any right, power or privilege reserved to or conferred upon the Administration by the Bond Resolution;

(e) confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, the Bond Resolution, of the Revenues or any other money, Loans, funds or accounts; or

(f) specify, determine or authorize by Series Resolution any and all matters and things relative to the Bonds of a Series or the proceeds thereof which are not contrary to or inconsistent with the Bond Resolution as theretofore in effect.

For any one or more of the following purposes and at any time or from time to time, a resolution of the Administration, amending or supplementing the Bond Resolution, may be adopted, which, upon (i) filing with the Trustee of a copy thereof certified by an Authorized Officer and (ii) filing with the Administration of an instrument in writing made by the Trustee consenting to such resolution, shall be fully effective in accordance with its terms to:

(a) cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Bond Resolution;

(b) insert such provisions clarifying matters or questions arising under the Bond Resolution as are necessary or desirable and are not contrary to or inconsistent with the Bond Resolution as theretofore in effect; or

(c) amend the Bond Resolution in any respect which, in the opinion of the Trustee, is not materially adverse to the interests of the Bondholders and will not, in and of itself, adversely affect the ratings on the Bonds in effect immediately before the adoption of such amendment.

Except as provided above, the holders of not less (i) two-thirds in aggregate principal amount of the Parity Bonds (as to Supplemental Resolutions relating to the Parity Bonds) or (ii) two-thirds in aggregate principal amount of the Subordinate Bonds (as to Supplemental Resolutions relating to the Subordinate Bonds), shall have the right, from time to time, anything contained in the Bond Resolution to the contrary notwithstanding, to consent to and approve the execution by the Administration and the Trustee of such Supplemental Resolutions hereto as shall be deemed necessary and desirable by the Trustee for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Bond Resolution or in any Supplemental Resolutions; provided that nothing in this paragraph shall permit, or be construed as permitting, without the consent of the holders of all Outstanding Parity Bonds or Subordinate Bonds, as the case may be, (a) an extension of the maturity or mandatory sinking fund redemption date of the principal of or the interest on any Bond issued under the Bond Resolution, or (b) a reduction in the principal amount of any Bond or the rate of interest, or sinking fund redemption requirements, thereon, or (c) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (d) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Resolution, or (e) the creation of any lien other than a lien ratably securing all of the Bonds at any time Outstanding under the Bond Resolution or (f) any modification of the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of the Trustee without the written consent of the Trustee.

Investment of Funds and Accounts. §10.02.

Except as otherwise provided in the Bond Resolution, the Administration may direct the Trustee to, and in the absence of direction the Trustee shall, invest moneys in the funds and accounts held by the Trustee in Permitted Investments, the maturity or redemption date (at the option of the Administration or the Trustee) of which shall coincide as nearly as practicable with the times at which moneys in said fund or account will be required for the purposes provided in the Bond Resolution.

Except as otherwise provided in a Series Resolution, the amount in any fund or account held by the Trustee under the provisions of the Bond Resolution shall be determined as of the end of each month as follows:

(i) the bid and asked prices of investments as published by a nationally recognized pricing service on or the date immediately preceding the date of determination, or the average bid price at the time of determination for such investments by any two nationally recognized government securities dealers (selected by the Trustee in its absolute discretion) at the time making a market in such investments;

(ii) as to certificates of deposit and bankers acceptances: the face amount thereof, plus accrued interest; and

(iii) as to any investment not specified above: the value thereof established by prior agreement between the Administration and the Trustee.

The Trustee shall sell at the best price obtainable, as determined by the Administration, or present for redemption, any obligation purchased by it as an investment whenever it shall be necessary in order to provide moneys to meet any payment or transfer from the fund or account for which such investment was made.

Trustee. Article XI.

The Trustee or any successor Trustee shall be a bank, trust company or national banking association having trust powers and a combined capital and surplus of not less than $50,000,000. The Trustee shall be under no obligation or duty to perform any act which would involve it in expense or liability, to institute or defend any action or suit in respect of the Bond Resolution or Bonds, or to advance any of its own moneys, unless properly indemnified. The Trustee shall not be liable in connection with the performance of its duties under the Bond Resolution, except for its own negligence or default.

The Trustee may become the owner of or may deal in Parity obligations or Subordinate Contract Obligations or may act as a Servicer as fully and with the same rights it would have if it were not the Trustee. To the extent permitted by law, the Trustee may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or the Bond Resolution, whether or not any such committee shall represent the holders of a majority in aggregate principal amount of the Bonds Outstanding.

The Trustee, or any successor thereof, may at any time resign and be discharged of its duties and obligations created by the Bond Resolution by giving not less than 60 days' written notice to the Administration and giving or publishing notice thereof, specifying the date when such resignation is proposed take effect, within 20 days after the giving of such written notice. Such resignation shall not, however, take effect unless previously a successor shall have been appointed by the Administration or Bondholders as provided in the Bond Resolution, in which event such resignation shall take effect immediately on the appointment of such successor and its acceptance of such appointment.

The Trustee, or any successor thereof, may be removed at any time by the Administration (so long as the Administration is not in default under the Bond Resolution) in its sole discretion (including, without limitation, competitive or negotiated bidding for services) by notice given by the Administration to the Trustee, or by the holders of a majority in aggregate principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the

Administration, by an instrument or concurrent instruments in writing signed and duly acknowledged by such Bondholders or by their attorneys duly authorized in writing and delivered to the Administration. Such removal shall not, however, take effect unless previously a successor shall have been appointed by the Administration or Bondholders as herein provided, in which event such removal shall take effect immediately on the appointment of such successor and its acceptance of such appointment.

If the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent or if a receiver, liquidator or conservator of the Trustee or of its property shall be appointed or if any public office shall take charge or control of the Trustee or of its property or affairs, a successor may be appointed by the holders of a majority in aggregate principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the Administration, by an instrument or concurrent instruments in writing signed by such Bondholders or their attorneys duly authorized in writing and delivered to such successor Trustee and to the Administration. Pending such appointment, the Administration shall forthwith appoint a successor Trustee to fill such vacancy until a successor Trustee shall be appointed by Bondholders as authorized under the Bond Resolution.

The Administration reserves the right to approve, in its sole discretion, any successor Trustee if any Trustee is merged or converted or consolidated or if any Trustee sells or transfers all, substantially all or any portion of its corporate trust business. Any proposed transfer of the trusts created under the Bond Resolution to a successor not approved by the Administration shall constitute sufficient ground for removal of the Trustee. The Administration, in its sole discretion, reserves the right, in the future and from time to time, to undertake to obtain competitive proposals from financial and trust institutions for the performance of the services of Trustee, Registrar and Paying Agent under the Bond Resolution. The Trustee, Paying Agent and Registrar each agree that in the event its proposal is not accepted by the Administration in such circumstances, it shall resign as Trustee, Registrar or Paying Agent upon request of the Administration. Alternatively, at the option of the Administration, the failure of the Trustee, Registrar or Paying Agent to be the party whose proposal is accepted for trustee, registrar or paying agent services in the future shall constitute sufficient reason for removal of the Trustee, Registrar or Paying Agent under the Bond Resolution by the Administration.

Publication of Notice. §12.07.

Whenever the Administration or the Trustee is required or permitted to give or publish notice of any event or occurrence under the Bond Resolution, such notice shall be given or published in such manner and by such means as the Administration or the Trustee, as the case may be, shall determine to be appropriate. Such publication may be by (but is not limited to) any of the following means: (1) publication in one or more newspapers or trade journals selected by the Administration or the Trustee, as the case may be; (2) publication by or through one or more financial information reporting services; (3) delivery to one or more "nationally recognized municipal securities information repositories" (as such terms is defined in Securities and Exchange Commission Rule 15c2-12) or any successor repository or entity fulfilling a substantially similar or like role; or (4) by mailing a copy of such notice by first class mail, postage prepaid, to the person entitled to receive the notice at such person’s address as shown on the records of the Administration or the Trustee.

APPENDIX D

BOOK ENTRY SYSTEM

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds (the "Offered Bonds"). The Offered Bonds will be issued as fully-registered bonds 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 the Offered Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such maturity.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTC 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 Standard & Poor's highest rating: AAA. 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 and www.dtc.org

Purchases of Offered Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Offered 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 Offered 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 Offered Bonds, except in the event that use of the book-entry system for the Offered Bonds is discontinued.

To facilitate subsequent transfers, all Offered 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 Offered 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 Offered Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Offered 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 Offered Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Offered Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Offered Bonds may wish to ascertain that the nominee holding the Offered 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 Offered 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 Offered 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 the Offered Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and distributions on the Offered 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 detailed information from the Administration or the Trustee, on the 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 Offered Bonds 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, nor its nominee, Trustee, or the Administration, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and distributions 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 Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Offered Bonds purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Offered Bonds by causing the Direct Participant to transfer the Participant's interest in the Offered Bonds, on DTC's records, to the Trustee. The requirement for physical delivery of Offered Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Offered Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Offered Bonds to the Trustee's DTC account.

DTC may discontinue providing its services as securities depository with respect to the Offered Bonds at any time by giving reasonable notice to the Administration or the Trustee. Under such circumstances, in the event that a successor securities 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 transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

APPENDIX E

PROPOSED FORM OF LEGAL OPINION OF BOND COUNSEL

LETTERHEAD OF KUTAK ROCK LLP, WASHINGTON, D.C.

[Closing Date]

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

COMMUNITY DEVELOPMENT ADMINISTRATION
MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

$92,040,000
Multi-Family Mortgage Revenue Bonds
Series 2009 A

Ladies and Gentlemen:

We have acted as Bond Counsel to the Community Development Administration (the "Administration"), an agency in the Division of Development Finance of the Department of Housing and Community Development (the "Department"), a principal department of the government of the State of Maryland (the "State"), in connection with the issuance and sale of $92,040,000 aggregate principal amount of its Multi-Family Mortgage Revenue Bonds, Series 2009 A (the "Offered Bonds").

The Offered 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 (previously Sections 2-201 through 2-208 of Article 83B of the Annotated Code of Maryland) (the "Act") and (2) the resolution of the Administration adopted as of December 1, 2009, entitled "Resolution Providing for the Issuance of Multi-Family Mortgage Revenue Bonds" (the "Bond Resolution") and Series Resolution Providing for the Issuance and Sale of Multi-Family Mortgage Revenue Bonds, Series 2009 A, to be adopted by the Administration as of December 1, 2009 (the "Series Resolution"). The Bond Resolution and the Series Resolution are referred to collectively as the "Resolution." The Director of the Administration determined, pursuant to Section 4-245(a) of the Act, that the issuance of the Offered Bonds is necessary to achieve one or more purposes of the Administration, and such determination was approved by the Secretary of Housing and Community Development. Capitalized terms used in this opinion and not otherwise defined in this opinion shall have the meanings set forth in the Resolution 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 an agency in 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 making Qualified Loans, to issue the Offered Bonds to provide funds therefor and to perform its obligations under the terms and conditions of the Resolution.

2) The Resolution has been duly adopted 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 Offered 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 Resolution and are entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the Resolution. The Resolution 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 Resolution, subject only to the provisions of the Resolution permitting the use and payment thereof for or to the purposes and on the terms and conditions set forth in the Resolution.

4) Under existing law, interest on the Offered Bonds is includable in gross income for Federal income tax purposes pursuant to Section 103 of the Code.

5) Under existing statutes, the Offered 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 Offered Bonds and the Resolution 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).

To ensure compliance with Treasury Circular 230, taxpayers are hereby notified that (a) any discussion of U.S. federal tax issues in this Official Statement is not intended by us to be relied upon, and cannot be relied upon, by taxpayers for the purpose of avoiding penalties that may be imposed on taxpayers under the Internal Revenue Code; (b) such discussion is written in connection with the promotion or marketing of the transactions or matters addressed herein; and (c) taxpayers should seek advice based on their particular circumstances from an independent tax advisor.

We express no opinion regarding any other Federal or state tax consequences with respect to the Offered 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,