NEW ISSUE – BOOK-ENTRY ONLY

OFFICIAL STATEMENT DATED AUGUST 13, 2014

In the opinion of Bond Counsel, assuming compliance with certain covenants described herein, under existing statutes, regulations, and decisions, (i) interest on the Series 2014A Bonds will be excludable from gross income for federal income tax purposes and (ii) will not be includable in the alternative minimum taxable income of individuals, corporations or other taxpayers as an enumerated item of tax preference or other specific adjustment, but may be taken into account in determining "adjusted current earnings" for purposes of computing the alternative minimum tax on corporations; however, such interest will be subject to the branch profits tax imposed on certain foreign corporations engaged in a trade or business in the United States and, (ii) by the terms of the Act, the Series 2014A Bonds, their transfer, the interest payable thereon, and any income derived therefrom, including any profit realized in their sale or exchange, are exempt from taxation of every kind and nature whatsoever by the State of Maryland, or by any of its political subdivisions, or any of its governmental units of any kind, except that no opinion is expressed as to estate or inheritance taxes, or other taxes not levied or assessed directly on the Series 2014A Bonds, their transfer or income therefrom. See "Tax Matters."

DHCD
Maryland Department of Housing and Community Development

$40,325,000

LOCAL GOVERNMENT INFRASTRUCTURE BONDS

MARYLAND COMMUNITY DEVELOPMENT ADMINISTRATION

2014 SERIES A

Consisting of

$27,605,000 **Local Government Infrastructure Bonds** **(Senior Obligations), 2014 Series A-1**	**$12,720,000** **Local Government Infrastructure Bonds** **(Subordinate Obligations), 2014 Series A-2**

Dated: Date of Delivery **Due: June 1, as shown herein**

The Series 2014A-1 Bonds and the Series 2014A-2 Bonds (together, the "Series 2014A 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 ("DTC"), which will act as securities depository for the Series 2014A Bonds. Purchases of the Series 2014A Bonds will be in book-entry form only, in principal amounts of $5,000 or any integral multiple thereof. Interest on the Series 2014A Bonds is payable on December 1, 2014 and semiannually thereafter on June 1 and December 1 of each year to DTC by Manufacturers and Traders Trust Company, as trustee (the "Trustee"). DTC will remit such payments to participating financial organizations for subsequent disbursement to beneficial owners of the Series 2014A Bonds. Additional information is contained under the caption "The Series 2014A Bonds" herein.

The Series 2014A Bonds are subject to redemption prior to maturity as set forth under "THE SERIES 2014A BONDS – Redemption Provisions" herein.

The Series 2014A Bonds are special obligations of the Community Development Administration (the "Administration"), a unit of the Division of Development Finance of the Maryland Department of Housing and Community Development (the "Department"), payable solely from the Revenues and property of the Administration pledged therefor under the Current Resolution described herein providing for the issuance of the Series 2014A Bonds and any additional bonds of the Administration to be issued under the Current Resolution, provided however, that the pledge of security granted for the Series 2014A-2 Bonds under the Current Resolution and any other series of Subordinated Bonds are in all respects junior and subordinate to the pledge of security granted to the Series 2014A-1 Bonds and any other series of Senior Bonds. The Series 2014A Bonds shall not be a debt of, and do not pledge the faith, credit or taxing power of the State, the Department, the Administration or any political subdivision, and shall be payable solely from the Revenues and property provided for in the Current Resolution and in accordance with the Act. The Administration has no taxing power.

FOR MATURITY SCHEDULE, INTEREST RATES, PRICES OR YIELDS
SEE INSIDE COVER

The Series 2014A Bonds are offered for delivery when, as and if issued, subject to the opinion of McKennon Shelton & Henn LLP, Baltimore, Maryland, Bond Counsel, as to the validity of the Series 2014A Bonds and the excludability from gross income of interest thereon for federal income tax purposes. Certain legal matters will be passed upon for the Administration by an Assistant Attorney General of the State of Maryland as Counsel to the Department. Certain legal matters will also be passed on for the Underwriters by Miles & Stockbridge, P.C. It is expected that the Series 2014A Bonds in definitive form will be available for delivery to DTC in New York, New York on or about August 28, 2014.

This cover page contains certain information for quick reference only. It is not a summary of this Official Statement. Investors must read the entire Official Statement to obtain information essential to the making of an informed decision.

M&T Securities, Inc.

Bank of America Merrill Lynch **J.P. Morgan** **RBC Capital Markets**

Loop Capital Markets LLC **Morgan Stanley**

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES OR YIELDS AND CUSIPS

$27,605,000
Local Government Infrastructure Bonds (Senior Obligations),
2014 Series A-1

Year	Amount	Interest Rate%†	Yield%†	CUSIP	Year	Amount	Interest Rate%†	Yield%†	CUSIP
2015	$ 820,000	0.20%	0.20%	539563ED4	2023	$1,475,000	2.55%	2.55%	539563EM4
2016	1,055,000	0.45	0.45	539563EE2	2024	1,520,000	2.70	2.70	539563EN2
2017	1,055,000	0.70	0.70	539563EF9	2025	1,405,000	2.90	2.90	539563EP7
2018	1,070,000	1.10	1.10	539563EG7	2026	1,440,000	3.00	3.00	539563EQ5
2019	1,160,000	1.45	1.45	539563EH5	2027	1,490,000	3.10	3.10	539563ER3
2020	1,350,000	1.75	1.75	539563EJ1	2028	1,545,000	3.20	3.20	539563ES1
2021	1,405,000	2.05	2.05	539563EK8	2029	1,595,000	3.30	3.30	539563ET9
2022	1,440,000	2.30	2.30	539563EL6					

Term Bonds

$4,990,000 3.40%† Term Bond due June 1, 2032 Yield 3.50%† Cusip: 539563EW2

$2,790,000 3.50%† Term Bond due June 1, 2034 Yield 3.60%† Cusip: 539563EY8

$12,720,000
Local Government Infrastructure Bonds (Subordinate Obligations),
2014 Series A-2

Year	Amount	Interest Rate%†	Yield%†	CUSIP	Year	Amount	Interest Rate%†	Yield%†	CUSIP
2015	$350,000	0.20%	0.20%	539563EZ5	2022	$620,000	2.30%	2.30%	539563FG6
2016	450,000	0.45	0.45	539563FA9	2023	635,000	2.55	2.55	539563FH4
2017	455,000	0.70	0.70	539563FB7	2024	650,000	2.70	2.70	539563FJ0
2018	460,000	1.10	1.10	539563FC5	2025	605,000	2.90	2.90	539563FK7
2019	495,000	1.45	1.45	539563FD3	2026	620,000	3.00	3.00	539563FL5
2020	580,000	1.75	1.75	539563FE1	2027	640,000	3.10	3.10	539563FM3
2021	600,000	2.05	2.05	539563FF8	2028	660,000	3.20	3.20	539563FN1

Term Bonds

$4,900,000 5.00%† Term Bond due June 1, 2034 Yield 3.35%†* Cusip: 539563FU5

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* Yield to first par call on June 1, 2023.

† The interest rates and yields shown above are furnished by the Underwriters for the Series 2014A Bonds. All other information concerning the terms of reoffering of the Series 2014A Bonds should be obtained from the Underwriters and not from the Administration.

No dealer, broker, salesman or any 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 Series 2014A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been furnished by the Administration and by other sources which are believed to be reliable but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the Administration as to information from sources other than the Administration.

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

All quotations from and summaries and explanations of provisions of laws and documents herein do not purport to be complete and reference is made to such laws and documents for full and complete statements of their provisions. This Official Statement is not to be construed as a contract or agreement between the Administration and the purchasers or owners of any of the Series 2014A Bonds. All statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact. The cover page hereof, inside front cover, and the appendices attached hereto are part of this Official Statement. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Series 2014A Bonds shall under any circumstances create any implication that there has been no change in the affairs of the Administration since the date hereof.

This Official Statement contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "project," "anticipate," "forecast," "intend," "believe," "expect" or the negative thereof or other variations thereon and similar expressions, identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. Potential investors and any other readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. **THE ADMINISTRATION AND THE DEPARTMENT DISCLAIM ANY OBLIGATION OR UNDERTAKING TO RELEASE PUBLICLY ANY UPDATES OR REVISIONS TO ANY FORWARD-LOOKING STATEMENT CONTAINED HEREIN TO REFLECT ANY CHANGES IN THEIR EXPECTATIONS WITH REGARD THERETO OR ANY CHANGE IN EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH ANY SUCH STATEMENT IS BASED**.

IN MAKING AN INVESTMENT DECISION, INVESTORS SHOULD RELY ON THEIR OWN EXAMINATION OF THE LOCAL GOVERNMENTS DESCRIBED IN THIS OFFICIAL STATEMENT, THE ADMINISTRATION AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. No registration statement relating to the Series 2014A Bonds has been filed with the United States Securities and Exchange Commission or with any state security agency, nor has the Current Resolution or the Series 2014A Resolution authorizing the Series 2014A Bonds been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such acts. The Series 2014A Bonds have not been approved or disapproved by the Securities and Exchange Commission or any state securities agency nor has the Securities and Exchange Commission or any state securities agency passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary may be a criminal offense.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES HERETO AND THE INFORMATION INCORPORATED HEREIN BY REFERENCE, ARE NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES AND THE INFORMATION INCORPORATED HEREIN BY REFERENCE, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE SERIES 2014A BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

IN CONNECTION WITH THIS OFFERING THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SERIES 2014A BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE INITIAL PUBLIC OFFERING PRICES SET FORTH ON THE INSIDE COVER OF THIS OFFICIAL STATEMENT MAY BE CHANGED BY THE UNDERWRITERS, AND THE UNDERWRITERS MAY OFFER TO SELL THE SERIES 2014A BONDS TO CERTAIN DEALERS AND OTHERS AT PRICES LOWER THAN THE OFFERING PRICES AS SET FORTH ON THE INSIDE COVER PAGE.

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OFFICIAL STATEMENT
of the
Community Development Administration
Maryland Department of Housing and Community Development
Relating to

$40,325,000
Local Government Infrastructure Bonds
Maryland Community Development Administration, 2014 Series A
Consisting of

$27,605,000	**$12,720,000**
Local Government Infrastructure Bonds (Senior Obligations), 2014 Series A-1	**Local Government Infrastructure Bonds (Subordinate Obligations), 2014 Series A-2**

INTRODUCTION

The purpose of this Official Statement, which includes the cover page, the inside cover page and the Appendices, is to set forth information in connection with the sale by the Community Development Administration (the "Administration"), a unit of the Division of Development Finance of the Department of Housing and Community Development (the "Department"), a principal department of the government of the State of Maryland (the "State" or "Maryland"), of its Local Government Infrastructure Bonds (Senior Obligations), 2014 Series A-1 (the "Series 2014A-1 Bonds") and its Local Government Infrastructure Bonds (Subordinate Obligations), 2014 Series A-2 (the "Series 2014A-2 Bonds" and, together with the Series 2014A-1 Bonds, the "Series 2014A Bonds").

The Administration is authorized to issue bonds to provide funds to finance and refinance all or a portion of loans (each, an "Infrastructure Loan") to Local Governments (hereinafter defined) participating in the Administration's Local Government Infrastructure Financing Program (the "Program"), established under and 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 in accordance with a Resolution Providing for the Issuance of Local Government Infrastructure Bonds adopted by the Administration as of August 1, 2010, as amended and supplemented (the "Current Resolution"). The Current Resolution appoints Manufacturers and Traders Trust Company, a New York banking corporation with trust powers and having a corporate trust office in Baltimore, Maryland, as trustee (the "Trustee"). A Series Resolution authorizing the issuance of the Series 2014A Bonds will be adopted by the Administration prior to the issuance of the Series 2014A Bonds (the "Series 2014A Resolution"). The Current Resolution and the Series 2014A Resolution are collectively referred to in this Official Statement as the "Resolutions."

Capitalized terms used herein and not otherwise defined herein shall have the meaning assigned them in Appendix C hereof unless the context clearly indicates otherwise. See Appendix C - "SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTIONS - Certain Definitions."

The Series 2014A Resolution authorizes the Administration to issue the Series 2014A-1 Bonds in the aggregate principal amount of $27,605,000 and the Series 2014A-2 Bonds in the aggregate principal amount of $12,720,000 as Additional Bonds under the Current Resolution. The proceeds of the Series 2014A-1 Bonds will provide funds to finance all or a portion of Infrastructure Loans to six (6) Local Governments as hereinafter described. The proceeds of the Series 2014A-2 Bonds will provide funds to finance the remaining portion of such Infrastructure Loans to those six (6) Local Governments and to fund reserves. See Appendix B – "LOCAL GOVERNMENTS AND LOCAL OBLIGATIONS."

The Series 2014A-1 and the Series 2014A-2 Bonds are the ninth and tenth Series of Bonds issued under the Current Resolution. The Series 2014A-1 Bonds will constitute Senior Bonds under the Current Resolution; and the Series 2014A-2 Bonds will constitute Subordinated Bonds under the Current Resolution. Each simultaneous issuance of Senior Bonds and Subordinated Bonds are referred to herein as a "Senior-Subordinated Issue."

The Administration has previously issued under the Current Resolution the following Senior-Subordinated Issues: (1) its Local Government Infrastructure Bonds (Senior Obligations), 2010 Series A-1 (the "Series 2010A-1 Bonds") and its Local Government Infrastructure Bonds (Subordinate Obligations), 2010 Series A-2 (the "Series 2010A-2 Bonds" and, together with the Series 2010A-1 Bonds, the "Series 2010A Bonds"), (2) its Local Government Infrastructure Bonds (Senior Obligations), 2012 Series A-1 (the "Series 2012A-1 Bonds") and its Local Government Infrastructure Bonds (Subordinate Obligations), 2012 Series A-2 (the "Series 2012A-2 Bonds" and, together with the Series 2012A-1 Bonds, the "Series 2012A Bonds"), (3) its Local Government Infrastructure Bonds (Senior Obligations), 2012 Series B-1 (the "Series 2012B-1 Bonds") and its Local Government Infrastructure Bonds (Subordinate Obligations), 2012 Series B-2 (the "Series 2012B-2 Bonds" and, together with the Series 2012B-1 Bonds, the "Series 2012B Bonds") and (4) its Local Government Infrastructure Bonds (Senior Obligations), 2013 Series A-1 (the "Series 2013A-1 Bonds") and its Local Government Infrastructure Bonds (Subordinate Obligations), 2013 Series A-2 (the "Series 2013A-2 Bonds" and, together with the Series 2013A-1 Bonds, the "Series 2013A Bonds"). The Series 2010A Bonds, the Series 2012A Bonds, the Series 2012B Bonds and the Series 2013A Bonds are referred to herein, collectively, as the "Prior Bonds."

The Series 2010A-1 Bonds, the Series 2012A-1 Bonds, the Series 2012B-1 Bonds and the Series 2013A-1 Bonds (collectively, the "Prior Senior Bonds") constitute Senior Bonds under the Current Resolution. The Prior Senior Bonds, the Series 2014A-1 Bonds and any other Additional Bonds constituting Senior Bonds, which the Administration may issue from time to time under the Current Resolution, are and will be on a parity, and will be equally and ratably secured under the Current Resolution.

The Series 2010A-2 Bonds, the Series 2012A-2 Bonds, the Series 2012B-2 Bonds and the Series 2013A-2 Bonds (collectively, the "Prior Subordinated Bonds") constitute Subordinated Bonds under the Current Resolution. Except as otherwise described herein, the Prior Subordinated Bonds, the Series 2014A-2 Bonds and any other Additional Bonds constituting Subordinated Bonds, which the Administration may issue from time to time under the Current Resolution, are and will be on parity, and will be secured under the Current Resolution by a pledge junior and subordinate in all respects to the pledge and security granted to the Senior Bonds. The Prior Subordinated Bonds, the Series 2014A-2 Bonds and any other Subordinated Bonds issued under the Current Resolution will not be on parity with the Senior Bonds.

As of June 30, 2014, $51,690,000 principal amount of Senior Bonds were outstanding and $23,510,000 principal amount of Subordinated Bonds were outstanding under the Current Resolution. The Outstanding Senior Bonds consist of four Series that were issued simultaneously with the related Series of the four Series of Outstanding Subordinated Bonds. The four Senior-Subordinated Series previously issued have collectively financed Infrastructure Loans for eighteen Local Governments.

Infrastructure Loans made under the Program are to be funded with proceeds of Bonds for any undertaking, project or facility that is planned, acquired, owned, developed, constructed, reconstructed, rehabilitated or improved by or on behalf of one of the State's 23 counties and Baltimore City (each a "County") or a municipal corporation in Maryland subject to the provisions of Article XI-E of the Maryland Constitution (a "Municipality") to provide the essential physical elements that are the basis of the public service system (the "Infrastructure Projects") and to pay bond issuance costs, including any fee or charge necessary for the Administration (i) to sell any Series of Bonds, (ii) to provide financial assistance for any Series of Bonds, (iii) to provide any guarantee, credit enhancement or additional security for any Series of Bonds or (iv) to insure any Series of Bonds. Infrastructure Projects include streets, sidewalks, curbs, sewer and water systems, bridges, and public buildings that are owned by a County or Municipality (each, a "Political Subdivision") or a governmental unit of a Political Subdivision. As used herein "Local Government" means a Political Subdivision or a governmental unit of a Political Subdivision. Each Infrastructure Loan must be evidenced by bonds, notes, repayment agreements, instruments or other obligations ("Local Obligations") of a Local Government.

Brief descriptions of the Series 2014A Bonds and the security for the Series 2014A Bonds are included in this Official Statement. Descriptions of the Department and the Administration can be found in Appendix A of this Official Statement. A list of the Local Governments and Infrastructure Projects the Administration expects to finance with the proceeds of the Series 2014A Bonds and a list of the Local Governments and Infrastructure Projects the Administration financed and refinanced with the proceeds of Outstanding Bonds previously issued under the Current Resolution are included in this Official Statement in Appendix B of this Official Statement. A summary of certain provisions of the Current Resolution, as supplemented by the Series 2014A Resolution, is included in this Official Statement as Appendix C of this Official Statement. The proposed form of the opinion of Bond Counsel is included as Appendix D of this Official Statement. Audited and unaudited financial statements of the Administration's Local Government Infrastructure Bonds issued under the Current Resolution are included as Appendix E of this Official Statement. **The appendices to this Official Statement constitute a part of this Official Statement and contain information which any potential investor should read in conjunction with the other parts of this Official Statement in order to make an informed investment decision.**

Certain capitalized terms used in this Official Statement are defined in Appendix C - "SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTIONS - Certain Definitions." Capitalized terms not otherwise defined herein are used as defined in the Resolutions. All references herein to the Resolutions and other documents and agreements are qualified in their entirety by reference to such documents and agreements, and references herein to the Series 2014A Bonds are qualified in their entirety by reference to the form thereof included in the Series 2014A Resolution and the information with respect thereto included in the Resolutions, documents and agreements, copies of which are available for inspection at the office of the Administration located at 100 Community Place, Crownsville, Maryland 21032-2023. Inquiries for documents or concerning this Official Statement should be directed to Investor Relations, at telephone: 410-514-7326, fax: 410-514-7431 or email: cda_bonds@mdhousing.org.

THE SERIES 2014A BONDS

General Description

The Series 2014A Bonds will be dated the date of their delivery (the "Delivery Date"). The Series 2014A Bonds will be issuable only as fully registered bonds in denominations of $5,000 each or any integral multiple thereof. The Series 2014A 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 Series 2014A Bonds. Purchases of the Series 2014A Bonds will be in book-entry form only. See "DTC and Book-Entry" below for a description of DTC and the book-entry system. The Series 2014A Bonds will mature in the years and amounts set forth on the inside cover page of this Official Statement and will bear interest from the Delivery Date, payable semiannually on June 1 and December 1 of each year, commencing December 1, 2014, to DTC by the Trustee. If any such dates are not business days, then such payments will be made on the next business day. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Plan of Financing

Financing of New Infrastructure Loans. The Administration will apply a portion of the proceeds of the Series 2014A Bonds to finance an aggregate principal amount of $39,139,319.77 (the "Loan Proceeds") of new Infrastructure Loans for the six (6) Local Governments receiving loans from proceeds of the Series 2014A Bonds. See Appendix B – "LOCAL GOVERNMENTS AND LOCAL OBLIGATIONS—Infrastructure loans expected to be financed with a portion of the proceeds of the Series 2014A Bonds". Upon the issuance of the Series 2014A Bonds, the Loan Proceeds shall be deposited to the credit of the Loan Fund established with respect to the Series 2014A Bonds (the "Series 2014A Loan Fund"), in accordance with the terms of the Resolutions.

Such amounts will be deposited in one or more accounts within the Series 2014A Loan Fund to finance the Infrastructure Loans for the specified Local Governments and disbursed by the Trustee in accordance with the requirements of the Resolutions and the Program. See Appendix C – "SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTIONS" and "THE PROGRAM".

Funding 2014A-2 Debt Service Reserve Fund. The Administration will apply a portion of the proceeds of the Series 2014A-2 Bonds in the amount of $990,847.50 (the "Reserve Proceeds") to the debt service reserve fund securing the Series 2014A-2 Bonds (the "2014A-2 Debt Service Reserve Fund"), representing the amount required to make the amount on deposit therein equal the debt service reserve requirement for the Series 2014A-2 Bonds (the "2014A-2 Debt Service Reserve Fund Requirement"). See "SECURITY FOR THE BONDS – Debt Service Reserve Fund."

Payment of Cost of Issuance. The Administration will directly apply proceeds of the Series 2014A Bonds in the amount of $372,114.03 to the payment of the total costs of issuing the Series 2014A Bonds. The Administration will directly net $326,632.50 of the proceeds of the Series 2014A Bonds as the Underwriters' fee.

Application of Series 2014A Bond Proceeds

Series 2014A Bonds. The proceeds of the sale of the Series 2014A Bonds will be applied and deposited as follows:

	Series 2014A-1 Bonds	**Series 2014A-2 Bonds**	**Total**
Sources of Funds:			
Par Amount	$27,605,000.00	$12,720,000.00	$40,325,000.00
Net Original Issue Premium/(Discount)	(105,107.20)	609,021.00	503,913.80
Total Sources of Funds	**$27,499,892.80**	**$13,329,021.00**	**$40,828,913.80**
Uses of Funds:			
Loan Accounts deposit for New Loans	$27,022,021.25	$12,117,298.52	$39,139,319.77
2014A-2 Debt Service Reserve Fund	-	990,847.50	990,847.50
Costs of Issuance Account[(1)]	254,271.05	117,842.98	372,114.03
Underwriters' Fee	223,600.50	103,032.00	326,632.50
Total Uses of Funds	**$27,499,892.80**	**$13,329,021.00**	**$40,828,913.80**

[(1)] Includes certain fees and expenses of the Administration, the Trustee, the Rating Agency, printing costs and other miscellaneous expenses.

Redemption Provisions

Optional Redemption. The Series 2014A Bonds maturing on or after June 1, 2024, are subject to redemption, at the option of the Administration, in whole or in part at any time, on or after June 1, 2023, at the principal amount thereof, plus accrued interest thereon.

Mandatory Sinking Fund Redemption.

The Series 2014A-1 Bonds maturing on June 1, 2032 and June 1, 2034 are subject to mandatory sinking fund redemption, at a price equal to the principal amount thereof plus accrued interest thereon, on June 1 of each of the following years and in the following amounts:

$4,990,000 Term Bond due June 1, 2032

Year	Sinking Fund Installment
2030	$1,595,000
2031	1,665,000
2032(1)	1,730,000

$2,790,000 Term Bond due June 1, 2034

Year	Sinking Fund Installment
2033	$1,370,000
2034(1)	1,420,000

(1) Final maturity

The Series 2014A-2 Bonds maturing on June 1, 2034 are subject to mandatory sinking fund redemption, at a price equal to the principal amount thereof plus accrued interest thereon, on June 1 of each of the following years and in the following amounts:

$4,900,000 Term Bond due June 1, 2034

Year	Sinking Fund Installment
2029	$ 680,000
2030	685,000
2031	715,000
2032	740,000
2033	590,000
2034(1)	1,490,000

(1) Final maturity

Special Redemption. The Series 2014A Bonds are subject to special redemption at the principal amount thereof, plus accrued interest thereon, at the option of the Administration, in whole or in part, at any time, without premium from (1) Series 2014A Bonds proceeds deposited in the Loan Fund and not used to finance an Infrastructure Loan, and (2) amounts on deposit in the Surplus Fund.

General Provisions. Any Series 2014A Bonds to be redeemed, except by a Sinking Fund Installment, shall be 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 redeemed, (2) the maturities within such Series from which Bonds are to be redeemed, (3) the principal amount and maximum price of Bonds within such maturities to be redeemed, (4) the amount, if any, to be transferred from other moneys to pay applicable redemption premiums, and (5) if any of the Series 2014A Bonds to be redeemed are Term

Bonds, the years in which and amounts by which the applicable Sinking Fund Installments are to be reduced.

If more than one Series of Bonds is outstanding, the Administration may choose any outstanding Series of Bonds and maturities within such Series to be redeemed from prepayments of Infrastructure Loans or from moneys in the Surplus Fund; under such circumstances, there can be no assurance that any particular Series of Bonds or maturity within a Series of Bonds will not be called for redemption.

Not fewer than 20 days before the date fixed for redemption of any Series 2014A Bonds, notice of redemption is to be given as provided in the Current Resolution (see Appendix C – "SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTIONS – Publication of Notices"), but failure to give notice will not affect the validity of any proceedings for redemption of other Bonds of such Series. The Administration may provide in a Series Resolution for shorter or longer periods for the publication of redemption notice for any Series of Additional Bonds, including, without limitation, redemption of any Series of Bonds with no prior notice to Bondholders. If fewer than all of the Bonds of a Series having the same maturity are called for redemption, the particular Bonds or units of fully registered Bonds to be redeemed are to be selected by the Trustee by lot using such method of selection as it shall deem proper pursuant to the Current Resolution. All Bonds called for redemption will cease to accrue interest on the specified redemption date and shall no longer be considered Outstanding under the Current Resolution, provided that funds sufficient for the redemption of such 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. See "DTC and Book-Entry" below for a description of redemption procedures under DTC's book-entry system.

The Administration has covenanted that it will not, at any time, cause Bonds to be purchased or redeemed, if this would have a material adverse effect on its ability to pay, when due, the principal of and interest on the Bonds Outstanding after such purchase or redemption. Accordingly, the Administration will select the maturities within each Series of Bonds to be purchased or redeemed (which may include maturities with the highest interest rate) in a manner which will enable the Administration to pay, when due, such principal and interest.

DTC and Book-Entry

At the time of delivery of the Series 2014A Bonds, DTC will act as securities depository for the Series 2014A Bonds. The ownership of one fully registered Series 2014A Bond for each maturity, in the aggregate principal amount of such maturity, initially will be registered in the name of Cede & Co. (DTC's partnership as nominee) or such other name as may be requested by an authorized representative of DTC, and deposited with DTC or its designated custodian. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect

Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2014A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2014A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2014A 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 Series 2014A Bonds are to be accomplished by entries made on the books of Direct or Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2014A Bonds, except in the event that use of the book-entry system for the Series 2014A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2014A 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 Series 2014A 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 Series 2014A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2014A Bonds are credited, which may or may not be the Beneficial Owners. The Direct or Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

The Trustee will make payments of principal of, redemption premium, if any, and interest on the Series 2014A Bonds to Cede & Co., or such other DTC nominee as may be requested by an authorized representative of DTC. DTC's current practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from 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 securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Administration or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium (if any) and interest 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 is the responsibility of DTC, and disbursements of such payments to the Beneficial Owners entitled thereto is the responsibility of Direct and Indirect Participants. DTC, the Trustee and the Administration are not responsible for and make no representations concerning the manner of, or any charges that may be associated with, payments by Direct Participants or Indirect Participants to Beneficial Owners.

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.

Redemption notices shall be sent to DTC. If less than all of the Series 2014A Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2014A 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 Series 2014A Bonds are credited on the record date (identified in a listing attached to the omnibus proxy).

Neither the Department, nor the Administration nor the Trustee will have any responsibility or obligation to the Direct Participants or the Beneficial Owners with respect to (A) the accuracy of any records maintained by DTC or any Participant; (B) the payment by any Participant of any amount due to any Beneficial Owner in respect of the principal of and premium, if any, and interest on the Series 2014A Bonds; (C) the delivery or timeliness of delivery by any Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Current Resolution to be given to Bondholders; or (D) any other action taken by DTC, or its nominee, Cede & Co., as Bondholder, including the effectiveness of any action taken pursuant to an Omnibus Proxy.

The Administration and the Trustee cannot give any assurances that DTC will distribute payments of principal of, redemption premium, if any, and interest on the Series 2014A Bonds paid to DTC or its nominee, as the registered owner, or any redemption or other notices, to the Direct Participants or that they will do so on a timely basis, that Direct Participants or Indirect Participants will distribute to Beneficial Owners any payments or notices received by them or do so on a timely basis, or that DTC will serve and act in the manner described in this Official Statement.

So long as Cede & Co. is the registered owner of the Series 2014A Bonds, as nominee of DTC, references in this Official Statement to the owners of the Series 2014A Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners and Cede & Co. will be treated as the only Bondholder of Series 2014A Bonds for all purposes under the Current Resolution.

The Administration may enter into amendments to the agreement with DTC or successor agreements with a successor securities depository, relating to the book-entry system to be maintained with respect to Series 2014A Bonds without the consent of Beneficial Owners or Bondholders.

DTC may discontinue providing its services as a securities depository with respect to the Series 2014A Bonds at any time by giving reasonable notice to the Administration or Trustee. Under such circumstances, in the event that a successor depository is not obtained, bond certificates for the Series 2014A Bonds will 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 for the Series 2014A Bonds will be printed and delivered.

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

Definitive Bonds

DTC (or a successor securities depository) may discontinue providing its service with respect to the Series 2014A Bonds at any time by giving notice to the Administration or the Trustee. Under such circumstances, in the event a successor securities depository is not obtained, certificates for the Series 2014A Bonds are required to be printed and delivered. In addition, the Administration, in its sole discretion and without the consent of any other person, may not use or may terminate the services of DTC (or a successor securities depository). Under such circumstances, the Series 2014A Bonds will be delivered as provided in the Current Resolution, and registered in accordance with the instructions of the purchasers, and the following requirements of the Current Resolution will apply. Interest on the Series 2014A Bonds will be payable: (a) by check or draft mailed by the Trustee to the registered owner thereof, or (b) upon the request of a registered owner of any Series 2014A Bonds having a principal amount of $1,000,000 or more, by wire transfer from the Trustee to the registered owner thereof. The principal of and redemption premium, if any, on the Series 2014A Bonds are payable at the principal office of the Trustee, or its successor, upon presentation of any Series 2014A Bonds on or after the date of maturity or redemption. Each exchange or transfer of any Series 2014A Bonds may require the payment by the registered owner of any tax, fee or other charge imposed by law and a reasonable transfer fee of the Trustee. The Administration shall not be obligated to make any such exchange or transfer of Series 2014A Bonds during the fifteen business days next preceding an Interest Payment Date on the Series 2014A Bonds, or in the case of any proposed redemption of Series 2014A Bonds, after the giving of notice calling such Series 2014A Bonds or portions thereof for redemption.

SECURITY FOR THE BONDS

Pursuant to the Current Resolution, the security for the Bonds, including, without limitation the Series 2014A Bonds, is a pledge of and lien on:

(1) proceeds of the sale of Series 2014A Bonds and all other Bonds (other than proceeds deposited in trust for the retirement of Outstanding Bonds and as otherwise provided by the Series 2014A Resolution),

(2) all Local Obligations acquired by the Administration,

(3) the Administration's right, title and interest in all Infrastructure Loans,

(4) all Revenues (primarily payments of principal of and interest on Infrastructure Loans) and Prepayments,

(5) all Pledged Funds pledged in connection with all Local Obligations, and

(6) all moneys, Permitted Investments and other assets and income held in and receivable by Funds and Accounts established by or pursuant to the Current Resolution, except as otherwise provided therein.

The pledge and security interest are subject to the power of the Administration to 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 Current Resolution. 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 Current Resolution.

THE BONDS ARE SPECIAL OBLIGATIONS OF THE ADMINISTRATION PAYABLE SOLELY FROM THE REVENUES AND PROPERTY OF THE ADMINISTRATION PLEDGED THEREFOR UNDER THE CURRENT RESOLUTION. THE BONDS OF THE ADMINISTRATION SHALL NOT BE A DEBT OF, AND DO NOT PLEDGE THE FAITH, CREDIT OR TAXING POWER OF THE STATE, THE DEPARTMENT, THE ADMINISTRATION OR ANY POLITICAL SUBDIVISION, AND SHALL BE PAYABLE SOLELY FROM THE REVENUES AND PROPERTY PROVIDED FOR IN THE CURRENT RESOLUTION AND IN ACCORDANCE WITH THE ACT. THE ADMINISTRATION HAS NO TAXING POWER.

The Bonds are *not* secured by the Administration's General Bond Reserve Fund, and Bondholders for the Series 2014A Bonds have no right to any of the moneys or investments held in such fund.

Under bond resolutions (each, a "Prior Program Resolution") other than the Current Resolution, the Administration has issued other series of bonds under its infrastructure financing program to finance infrastructure projects of local governments as a pooled financing. See Appendix A – "THE DEPARTMENT AND THE ADMINISTRATION – Other Programs of the Department – *Infrastructure Financing Program Under Prior Program Resolutions.*" None of the infrastructure loans financed from such other series of bonds, or the assets or revenues held under the bond and series resolutions relating to such bonds, are subject to the lien of the Current Resolution or available to pay principal of or interest on the Series 2014A Bonds. None of the Infrastructure Loans to be made from the proceeds of the Series 2014A Bonds or any assets or

revenues held under the Current Resolution are available to pay principal of or interest on any of those other series of bonds issued under the Prior Program Resolutions.

Local Obligations

Before the Administration makes an Infrastructure Loan, the Current Resolution requires the Local Government to:

(1) Execute and deliver to the Administration a Local Obligation evidencing the payment obligations of the Local Government;

(2) Execute any and all other agreements, certificates or documents as the Administration may require; and

(3) Provide an opinion of counsel acceptable to counsel to the Administration.

The Administration will not finance an Infrastructure Loan unless payments of principal and interest scheduled to be derived with respect to such Infrastructure Loan and scheduled payments of principal and interest and other payments on all other Infrastructure Loans pledged under the Current Resolution, together with interest and other income estimated to be derived from the investment or deposit of money in funds and accounts, are expected to be sufficient to pay the principal of and interest on all Outstanding Bonds.

The Local Obligations issued to provide for repayment of each Infrastructure Loan financed with the proceeds of the Series 2014A Bonds will be secured by the full faith and credit of the applicable Local Government or, where the Local Obligation is issued by an agency or instrumentality of a Political Subdivision, the Political Subdivision will guaranty the Local Obligation of its agency or instrumentality, which guaranty will be secured by the full faith and credit of the Political Subdivision (the "Guarantor Political Subdivision"). To secure the Local Obligations, each Local Government and Guarantor Political Subdivision will execute an agreement (the "Pledge Agreement") pledging, among other things, certain funding the Local Government may receive from the State and an agreement (the "Repayment Agreement") to pay principal and interest on its Local Obligations. See below under the heading "Intercept of Local Government Payments" and the "THE PROGRAM – Security for Infrastructure Loans."

On the date of closing of the Series 2014A Bonds, the entire amount of the proceeds of each Infrastructure Loan to be financed by the Series 2014A Bonds will be deemed to be lent to the Local Governments; however, pursuant to the applicable Repayment Agreement, the Administration will disburse proceeds of an Infrastructure Loan only upon receipt of a requisition by the Local Government that includes an itemization of the costs for which the Local Government requests payment. Upon receipt of any funds, the Local Government must immediately apply the funds to the payment of "development costs" (as defined in the Act) of Infrastructure Projects. The Administration will not be responsible or liable in any event to any person other than the Local Government for the disbursement of or failure to disburse Infrastructure Loan proceeds, or any part thereof, and neither the general contractor for the project, if any, nor any subcontractor nor any material or equipment supplier will have any contractual right or claim against the Administration under the Repayment Agreement.

Pursuant to the Repayment Agreement, each Local Government is required to make scheduled payments on its Infrastructure Loan on May 1 and November 1 of each year during the term of the Infrastructure Loan.

Intercept of Local Government Payments from the State

Each Local Government receiving an Infrastructure Loan financed with the proceeds of Bonds will enter into a Pledge Agreement with the Administration. Under the Pledge Agreement, the Local Government will pledge the State shared revenues, State collected local taxes, the Local Government's share of State taxes, including the State income taxes, general grants or payments, State highway user revenues and any payment pursuant to any program which replaces any of the foregoing (collectively, the "Local Government Payments"). See Appendix B – "LOCAL GOVERNMENTS AND LOCAL OBLIGATIONS" for a description of the amount of such Local Government Payments for each Local Government and the maximum annual debt service secured by the Local Government Payments.

A Local Government that is an agency or instrumentality of a Political Subdivision or a governmental unit of a Political Subdivision may not be entitled to receive any Local Government Payments from the State and, in that case, Local Government Payments could be pledged only if a Political Subdivision entitled to receive Local Government Payments guarantees the Local Government's Local Obligation and enters into a Pledge Agreement. If the Administration does not receive scheduled payments on an Infrastructure Loan financed with the proceeds of any Bonds, including, without limitation the Series 2014A Bonds, the Administration may give notice of the amount remaining unpaid to the Comptroller and the Treasurer of the State. The Comptroller or the Treasurer, upon receipt of such notice, has agreed to pay or cause to be paid to the Trustee such unpaid amount from any available Local Government Payments held by the Comptroller or the Treasurer that the Local Government or Guarantor Political Subdivision named in the notice is entitled to receive from the State. If the Local Government Payments held by the Comptroller or Treasurer are not enough to satisfy the notice, the Comptroller or Treasurer will continue to withhold Local Government Payments and to pay them to the Administration. The Comptroller or Treasurer (as the case may be) will use its best efforts to make such payments within five (5) business days, but no later than the ten (10) business days following receipt of the notice. **Such Local Government Payments, however, may not be sufficient to pay amounts due and unpaid on the Infrastructure Loan**. See "THE PROGRAM – Security for Infrastructure Loans – Pledge of State Assistance to Local Government."

Debt Service Reserve Fund

Upon the delivery of the Series 2014A-2 Bonds, there will be deposited in the 2014A-2 Debt Service Reserve Fund the amount necessary to make the amount on deposit therein equal to the 2014A-2 Debt Service Reserve Fund Requirement. The Series 2014A Resolution establishes the 2014A-2 Debt Service Reserve Fund Requirement as an amount equal to the least of (i) 10% of the proceeds of the Series 2014A-2 Bonds, (ii) Maximum Annual Debt Service (defined below) on all outstanding Series 2014A-2 Bonds, and (iii) 125% of the average annual Debt Service Requirements of the Series 2014A-2 Bonds. "Maximum Annual Debt Service" shall mean for any Fiscal Year, as of any particular date of computation, the greatest amount required to pay scheduled debt service on the outstanding Series 2012A-2 Bonds in the then-current or any future Fiscal Year, excluding Fiscal Year 2034.

Under the Current Resolution, the Administration previously established (i) a standalone debt service reserve fund to secure the Series 2013A-2 Bonds and (ii) an aggregated debt service reserve fund to secure all of the other Prior Subordinated Bonds (collectively, the "Prior Debt Service Reserve Funds"). Amounts on deposit in the Prior Debt Service Reserve Funds will **not** secure the Series 2014A-2 Bonds. Amounts on deposit in the 2014A-2 Debt Service Reserve Fund will **not** secure any of the Prior Subordinated Bonds. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTIONS – Funds and Accounts – Debt Service Reserve Fund."

If as a result of any withdrawal from the 2014A-2 Debt Service Reserve Fund, the amount credited thereto is less than the 2014A-2 Debt Service Reserve Fund Requirement, the Administration is required under the Resolutions and Section 4-233.1 of the Act to replenish the 2014A-2 Debt Service Reserve Fund from available operating revenue generated by infrastructure projects, or with available funds provided by the State, including but not limited to Local Government Payments. The Current Resolution provides for the pro rata allocation of operating revenue generated by infrastructure projects among all of the debt service reserve funds held under the Current Resolution based on the respective aggregate principal amounts of the Bonds outstanding that are secured by such debt service reserve fund. The Administration is required under the Current Resolution to make monthly payments in such amounts as will cure the deficiency for all of the debt service reserve funds. The Series 2014A Resolution contains provisions which require the Administration to make certain payments in the event of certain investment losses with respect to the 2014A-2 Debt Service Reserve Fund. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTIONS – Funds and Accounts – Debt Service Reserve Fund - Series 2014A Bonds."

If the available operating revenues from infrastructure projects and the available funds provided by the State are insufficient to replenish the 2014A-2 Debt Service Reserve Fund, the Administration shall request that the Comptroller of the State advance funding to replenish the 2014A-2 Debt Service Reserve Fund as provided in Chapter 719 of the Acts of the General Assembly of 2009 (the "Capital Reserve Bond Bill") or any other bond bill enacted by the General Assembly of the State for this purpose. The Capital Reserve Bond Bill authorizes the State to issue up to $2 million in general obligation bonds and use the proceeds thereof to replenish the 2014A-2 Debt Service Reserve Fund, the Prior Debt Service Reserve Funds and any other debt service reserve funds established by the Administration pursuant to Section 4-233.1 of the Act. The Capital Reserve Bond Bill provides that the Administration shall have up to five years to repay the proceeds of any general obligation bonds issued by the State to advance funds to the Administration to replenish any of the debt service reserve funds established by the Administration pursuant to Section 4-233.1 of the Act.

Additional Senior and Subordinated Bonds

The Current Resolution permits the issuance of Additional Bonds constituting Senior Bonds to provide funds to make or purchase Infrastructure Loans, to refund Outstanding Bonds or other obligations issued to finance and refinance the Infrastructure Loans or other infrastructure loans made by the Administration under the Program to Local Governments, or to refinance other indebtedness of Local Governments previously issued to finance infrastructure projects, but only upon the satisfaction of certain conditions set forth in the Current Resolution, including the requirement that the issuance of such Additional Bonds will have no material adverse effect on the then-current rating on the outstanding Senior Bonds or on the ability of the Administration to pay when due the principal of, redemption premium, if any, and interest on the Outstanding Bonds and delivery of a cash flow certificate. The Prior Senior Bonds, the Series 2014A-1 Bonds and any other Additional Bonds constituting Senior Bonds issued under the Current Resolution on a parity basis will be entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the Current Resolution.

The Current Resolution also permits the issuance of Additional Bonds constituting Subordinated Bonds to provide funds to make or purchase Infrastructure Loans, to refund Outstanding Bonds or other obligations issued to finance and refinance the Infrastructure Loans or other infrastructure loans made by the Administration under the Program to Local Governments, or to refinance other indebtedness of Local Governments previously issued to finance infrastructure projects, but only upon the satisfaction of certain conditions set forth in the Current Resolution, including the requirement that the issuance of such Additional Bonds will have no material adverse effect on the then-current rating on the outstanding Senior Bonds or on the ability of the Administration to pay when due the principal of, redemption premium, if any, and interest on the Outstanding Bonds and delivery of a cash flow certificate. Subordinated Bonds may be issued and secured solely by the proceeds of such Series of Subordinated Bonds ("Subordinated Proceeds"), any Revenues from any Infrastructure Loan financed with the proceeds of such Series of Subordinated Bonds ("Subordinated Revenues") and any Pledged Funds received with respect to any Infrastructure Project financed by such Infrastructure Loan ("Subordinated Pledged Funds"). Such Series of Subordinated Bonds will not be secured by any other moneys, funds or accounts held under the Current Resolution and the Subordinated Proceeds, Subordinated Revenues and Subordinated Pledged Funds securing such Series of Subordinated Bonds shall not constitute security for any other Series of Bonds issued under the Current Resolution. Except as otherwise described in this Official Statement, the Prior Subordinated Bonds, the Series 2014A-2 Bonds and any other Additional Bonds constituting Subordinated Bonds issued under the Current Resolution will be secured on a parity basis under the Current Resolution by a pledge junior and subordinate in all respects to the pledge and security granted to Senior Bonds (including the Series 2014A-1 Bonds).

THE PROGRAM

The State created the Program to provide an additional, accessible and uncomplicated mechanism to finance the public infrastructure maintained by Local Governments in order to promote sound community development, improve the quality of the environment, strengthen the economy and otherwise promote the health, safety and welfare of the citizens of the State. The Series 2014A Bonds are the fifth Senior-Subordinated Issue under the Current Resolution. The Prior Senior Bonds, the Series 2014A-1 Bonds and any additional Series of Senior Bonds which the Administration may issue on parity under the Current Resolution will be equally and ratably secured under the Current Resolution. The Current Resolution also allows the issuance of Subordinated Bonds which will not be on a parity with the Senior Bonds. Except as otherwise described herein, the Prior Subordinated Bonds, the Series 2014A-2 Bonds and any additional Series of Subordinated Bonds will be secured on a parity basis under the Current Resolution by a pledge junior and subordinate in all respects to the pledge and security granted to the Senior Bonds (including the Series 2014A-1 Bonds). Under prior separate bond resolutions (other than the Current Resolution), the Administration has issued other series of bonds under the Program to finance Infrastructure Projects of Local Governments. See Appendix A – "THE DEPARTMENT AND THE ADMINISTRATION – Other Programs of the Department – *Infrastructure Financing Program Under Prior Program Resolutions.*" None of the infrastructure loans financed from those other series of bonds, or the assets or revenues held under the bond and series resolutions relating to such bonds, are subject to the lien of the Current Resolution or available to pay principal of or interest on the Prior Bonds, the Series 2014A Bonds or any other Additional Bonds issued under the Current Resolution. None of the Infrastructure Loans to be made from the proceeds of the Prior Bonds, the Series 2014A Bonds or any other Additional Bonds issued under the Current Resolution or any assets or revenues held under the Current Resolution are available to pay principal of or interest on any of those other series of bonds.

Appendix B of this Official Statement sets forth information on each Local Government and Infrastructure Loan expected to be financed with the proceeds of the Series 2014A Bonds. The Administration may issue Additional Bonds from time to time under the Current Resolution to finance additional Infrastructure Loans upon compliance with the requirements of the Current Resolution. See "SECURITY FOR THE BONDS – Additional Senior and Subordinated Bonds."

General

Under the Program, a Local Government may file an application for an Infrastructure Loan when the Local Government (1) has defined and engineered a capital improvement project to the point where a reasonably reliable estimate of its costs is available and the Local Government is prepared to proceed with construction, or (2) plans the acquisition of or refinancing of existing indebtedness for a project eligible under the Program. A project is eligible for financing or refinancing through the Program if it is an undertaking, project or facility that is planned, acquired, owned, developed, constructed, reconstructed, rehabilitated, or improved by or on behalf of a Local Government to provide the essential physical elements that are the basis of the public service system. Such projects include, but are not limited to, any of the following: water production, treatment, storage and distribution systems; sewer collection and treatment facilities; solid waste transfer, conversion and disposal facilities; storm water control and drainage facilities; bulkheads, piers, wharves and ramps; bridges, streets, and roads; facilities for police, fire, transportation, education, culture, health, recreation, maintenance and other facilities for the delivery of public services; street lighting, landscaping and other public space improvements. The project may not include any facilities with respect to which the Local Obligations financing such facilities would be "private activity bonds" within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the "Code"), for which a volume cap allocation under Section 146 of the Code would be required. The amount of the Infrastructure Loan may include the costs of preparing studies, surveys and plans and specifications; architectural, engineering and other professional services; acquisition of land and buildings thereon; site preparation and development; acquisition of machinery, equipment and furnishings, and financing costs.

The Department has promulgated regulations governing the operation of the Program. These regulations set forth standards for determining the eligibility of projects and costs to be financed under the

Program, and describe the general terms and conditions required for the Infrastructure Loans. The regulations also provide procedures for approval of the Infrastructure Loans and set forth certain other general requirements as to Infrastructure Loans and Infrastructure Projects, some of which are described below. The regulations are subject to amendment and revision. Particular provisions of the regulations may be waived or varied by the Secretary to the extent that the waiver is not inconsistent with the Act or contrary to the provisions of the Current Resolution or any applicable Series Resolution if: (i) adherence to the requirements of any federal, State, or local program used in connection with a project necessitates waiver or variance of a regulation; or (ii) in the determination of the Secretary, the application of a regulation in a specific case or in an emergency situation would be inequitable or contrary to the purposes of the Act.

After receiving an application, the Program staff reviews the application for completeness. In support of the application, local governments are required to submit audited financial statements, interim (unaudited) financial statements, operating budgets and capital budgets (as available). Local Governments are also asked to submit data with respect to assessed valuation of real property, tax collections, outstanding and projected indebtedness, current population figures, unemployment rates, per capita income, median household income, principal tax payers and major employers. Program staff analyze the data submitted and several years worth of historical data to determine the general economic condition and financial viability of the community. Program staff also undertake a detailed analysis of available Local Government Payments which flow from the State to each Local Government and each Guarantor Political Subdivision. The Program does not review or monitor the plans and specifications of the Infrastructure Project, any testing or surveys of or with respect to any part of the Infrastructure Project, any required permits or approval, construction in progress, payment of contractors, disputes or pending or threatened litigation affecting the Infrastructure Project. Each Local Government is responsible for obtaining all licenses, permits and approvals, undertaking any necessary or appropriate tests or surveys (including environmental or hazardous or toxic waste surveys) and acquiring, constructing, operating, maintaining and managing the Infrastructure Project and any related services and providing for its continued availability and use. The Local Government must certify that the Infrastructure Project is consistent with the local comprehensive plan or warranted by extraordinary circumstances with no reasonably feasible alternative in accordance with State law. The Department is required to determine that the Infrastructure Project is consistent generally with the State Economic Growth, Resource Protection, and Planning Policy.

In addition to the formal credit analysis outlined above, proposed Infrastructure Loans are submitted to the Department's Housing Finance Review Committee (the "Review Committee") and the proposed Bond issuances are submitted to the Department's Revenue Bond Advisory Board (the "Board") for review and approval. Before the earlier of the public distribution of a preliminary official statement or submission of a preliminary official statement to any rating agency for review, the Board reviews and make recommendations to the Secretary regarding the issuance of bonds, notes, or other securities by the Administration, and the Review Committee reviews and makes recommendations to the Secretary regarding the proposed Infrastructure Loans. For more information regarding the Review Committee and the Board, see Appendix A – "THE DEPARTMENT AND THE ADMINISTRATION – General Information."

The Administration pays Program operating costs and certain costs of issuance of Bonds (including the Series 2014A Bonds) from earnings received from its programs financed by its bond resolutions, certificates and indentures (including the Current Resolution) in excess of amounts required to pay debt service on its bonds. The costs of issuing the Series 2014A Bonds (including the Underwriters' fee) in the amount of $698,746.53 will be divided among the Local Governments whose Infrastructure Loans will be financed from the proceeds of the Series 2014A Bonds and paid pro rata by the Local Governments.

Infrastructure Loans

Terms of Infrastructure Loans. The term of an Infrastructure Loan may not exceed the lesser of the useful life of the Infrastructure Project or 30 years, the final term being at the discretion of the Administration, taking into consideration the applicable requirements of the Current Resolution and any applicable Series Resolution. In the case of any county transportation facility financed by an Infrastructure Loan and secured by a pledge of a County's share of State highway user revenues, the term may not exceed 15 years. Infrastructure Loans may be made in any amounts that are necessary to finance or refinance eligible costs of an Infrastructure Project, but may not exceed 100 percent of the eligible costs of the Infrastructure Project.

Events of Default Under the Repayment Agreement. Events of default under the Repayment Agreement ("Repayment Events of Default;" each, a "Repayment Event of Default") include (1) failure by the Local Government to pay, on the date on which such amount is due and payable, (a) the principal of, premium, if any, or interest or any other charges or sums on or under the Local Obligation (whether upon maturity, on any installment payment date, after notice of prepayment, or otherwise), or (b) any other payment required by the Repayment Agreement or any of the other documents relating to the Program; (2) default by the Local Government in the due and punctual observance or performance of any other term, covenant or agreement contained in the Repayment Agreement, including failure by the Local Government to levy taxes or appropriate funds pursuant to the requirements of the Repayment Agreement, or with respect to any other of the Local Government's payment requirements, which default remains unremedied for 30 days (or such other cure period as may be specified in the Repayment Agreement or in any of the other documents relating to the Program) after notice to the Local Government; provided, however, that if such default cannot be corrected within 30 days (or such other cure period as may be specified in the Repayment Agreement), it will not be a Repayment Event of Default if the Local Government is taking appropriate corrective action to cure the default; (3) the occurrence of a filing of a petition in bankruptcy under the Bankruptcy Code or the commencement of a proceeding under any other applicable law concerning insolvency, reorganization, or bankruptcy by or against the Local Government as debtor, or the Local Government becoming generally unable to pay its debts as they become due; or (4) the occurrence of an event of default by the Local Government under any of the other documents relating to the Program.

Whenever any Repayment Event of Default has occurred, the Administration or the Trustee may: (1) bring legal proceedings against the Local Government to enforce the Administration's rights under the Repayment Agreement and to require the Local Government to carry out its agreements and perform its duties under the Repayment Agreement; (2) bring suit upon the Repayment Agreement; (3) sue to enjoin any acts or things which are unlawful or violate the rights of the Administration or the Trustee; or (4) take necessary or appropriate action to collect the payments and other amounts then or thereafter due or to exercise any rights or remedies under the Repayment Agreement.

Security for Infrastructure Loans

General Obligation Pledge of Local Governments. Local Obligations issued to provide for repayment of each Infrastructure Loan financed with the proceeds of Bonds issued under the Current Resolution may be secured by the full faith and credit of the applicable Local Government or, where the Local Obligation is issued by an agency or instrumentality of a Political Subdivision or a governmental unit of a Political Subdivision, the Political Subdivision will guaranty the Local Obligation of its agency or instrumentality, which guaranty may be secured by the full faith and credit of the Guarantor Political Subdivision. A Local Obligation secured by full faith and credit requires that annual debt service payments be made from the collection of *ad valorem* taxes if other sources of funds or revenues of the Local Government or Guarantor Political Subdivision are insufficient to pay debt service on the Local Obligation.

Revenue Pledge of Local Government or Infrastructure Project; Local Obligations Subject to Annual Appropriations. The Current Resolution does not require Local Governments to pledge their full faith and credit as security for Infrastructure Loans made with the proceeds of a Series of Bonds. The Administration may in the future permit Local Governments to secure Infrastructure Loans by either (i) a pledge of certain revenues or assets of the Local Government, or (ii) revenues derived from or assets consisting of the Infrastructure Project. In addition, Local Obligations may be payable from general funds of the Local Government which are subject to annual appropriations; in such cases the primary remedies upon non-appropriation of funds to pay the Local Obligation would be to repossess the property financed and sell it, or exercise remedies under the Pledge Agreement between the Administration and the Local

Government of the kind described below. The Series 2014A-1 Bonds, the Prior Senior Bonds and any other Additional Bonds constituting Senior Bonds will be secured equally and ratably under the terms of the Current Resolution even if Infrastructure Loans financed with the proceeds of a subsequent series of Senior Bonds are not secured by a pledge of the full faith and credit of a Local Government or of a Political Subdivision guaranteeing the Infrastructure Loan. Likewise, the Prior Subordinated Bonds, the Series 2014A-2 Bonds and any other Additional Bonds constituting Subordinated Bonds will be secured equally and ratably under the terms of the Current Resolution even if Infrastructure Loans financed with the proceeds of a subsequent series of Subordinated Bonds are not secured by a pledge of the full faith and credit of a Local Government or of a Political Subdivision guaranteeing the Infrastructure Loan.

Pledge of State Assistance to Local Government. Each Local Government receiving an Infrastructure Loan financed with the proceeds of the Series 2014A Bonds will enter into a Pledge Agreement with the Administration pledging Local Government Payments, if any, the Local Government is entitled to receive from the State. A Local Government that is an agency or instrumentality of a Political Subdivision may not be entitled to receive any Local Government Payments from the State. In that case, Local Government Payments can be pledged only if a Guarantor Political Subdivision entitled to receive Local Government Payments guarantees the Local Government's Local Obligation and enters into a Pledge Agreement. If the Administration does not receive scheduled payments on an Infrastructure Loan financed with the proceeds of the Series 2014A Bonds, the Administration may give notice of the amount remaining unpaid to the Comptroller or the Treasurer of the State under the terms of the State Intercept Memorandum of Understanding dated as of June 21, 2010, by and among the Administration, the Comptroller and the Treasurer. The Comptroller or the Treasurer, upon receipt of such notice, has agreed within two (2) business days after receipt of the notice to intercept or stop payments of the Local Government Payments to the defaulting Local Government or Guarantor Political Subdivision identified in the notice and to use their best efforts to make payment to the Trustee within five (5) business days after such interception but not later than ten (10) business days. Such payment to the Trustee will be from any available Local Government Payments that the Local Government is entitled to receive from the State. Such Local Government Payments, however, may not be sufficient to pay amounts due and unpaid on the Infrastructure Loan.

Local Governments receiving Infrastructure Loans made with the proceeds of Additional Bonds or Counties or Municipalities guaranteeing the Local Obligation of a Local Government may not be required to enter into a Pledge Agreement with the Administration. The Prior Senior Bonds, the Series 2014A-1 Bonds and any other Series of Additional Bonds constituting Senior Bonds will be secured equally and ratably under the Current Resolution, even though Infrastructure Loans financed with the proceeds of Additional Bonds may or may not be subject to a Pledge Agreement between the Local Government (together with any Guarantor Political Subdivision) and the Administration relating to Local Government Payments.

The Series 2014A-2 Bonds will be issued as Subordinated Bonds under the Current Resolution. Payment of the principal or redemption price of and interest on, and the purchase price of, the Series 2014A-2 Bonds and the Prior Subordinated Bonds will be secured equally and ratably by the pledge of funds and accounts under the Current Resolution to the extent specified in the Current Resolution, subordinate, however, to the pledge securing the Prior Senior Bonds, the Series 2014A-1 Bonds and any other Senior Bonds issued thereunder. Any series of Additional Bonds issued under the Current Resolution as Subordinated Bonds, may also be secured by the pledge of funds and accounts under the Current Resolution to the extent specified in the Series Resolution authorizing the issuance of such Subordinated Bonds, subordinate, however, to the pledge securing the Senior Bonds, and upon such terms and conditions set forth in the Series Resolution authorizing the Subordinated Bonds. Subordinated Bonds may be payable from Revenues derived under the Current Resolution, but only after payment of all other amounts payable from Revenues with respect to the Senior Bonds.

Loans to Finance County Transportation Facilities. If the Infrastructure Loan finances a county transportation facility secured by a pledge of a County's share of State highway user revenues, the County shall execute a participation agreement which shall:

(1) constitute a pledge of a County's share of State highway user revenues to the Administration in an amount sufficient to repay the Bonds, and the interest payable thereon, in 15 years;

(2) authorize the State Comptroller to withhold and deposit a County's share of State highway user revenues into a sinking fund maintained to pay the principal of and interest on the Bonds due on the next payment date under the applicable Series Resolution; and

(3) require a County to use the proceeds of the Infrastructure Loan solely for activities permitted by Transportation Article, §8-401 through §8-413 of the Annotated Code of Maryland.

See "Factors Affecting Infrastructure Loans or the Bonds" below for a discussion of possible limitations upon the enforcement of and other factors affecting Local Obligations.

Factors Affecting Infrastructure Loans or the Bonds

The timely payment by the Administration of the principal of and interest on the Series 2014A Bonds and all other Bonds issued under the Current Resolution may be adversely affected by: (1) failure of Local Governments to make timely payment on the Local Obligations, and (2) the ability of the Administration to enforce, and the availability of Local Government Payments under, the Pledge Agreement.

If one or more Local Governments fail to make timely payment on their Local Obligations, sufficient moneys may not be available to pay principal of and interest on the Bonds. The failure of a Local Government to make timely payment on its Local Obligations or the occurrence of an event of default with respect to a Local Obligation does not constitute a default with respect to any other Local Obligation. Similarly, the occurrence of an Event of Default under the Current Resolution does not, of itself, constitute an event of default with respect to any Local Obligation. Under such circumstances, neither the Administration nor the Trustee has the right to demand payment of any Local Obligation not in default.

Enforcement of Local Obligations. The Local Governments which participate in the Program may have limited staff and resources. In the case of Local Obligations backed by a pledge of the full faith and credit of a Local Government, there can be no assurance that the Local Government will timely pay the Local Obligations. The Administration maintains no debt service reserve fund or other funds, except the 2014A-2 Debt Service Reserve Fund solely for the Series 2014A-2 Bonds, the Prior Debt Service Reserve Funds for the outstanding Prior Subordinated Bonds and any funds and accounts created under the Current Resolution, the Series 2014A Resolution and any other Series Resolution, and the Surplus Fund, to pay debt service on the Series 2014A Bonds and the Prior Bonds should any Local Government fail to timely pay the principal of and interest on its Local Obligation. The Administration requires, however, that payments of principal and interest on Local Obligations be made 30 days prior to the date on which payment is due on the Bonds. Despite the risk of non-payment by Local Governments, there has never been an occurrence where a delay in payment by Local Governments participating in the Administration's infrastructure financing programs has resulted in a default in payment on bonds issued pursuant to such programs; however, there can be no assurance that such a delay will not result in a default in the future.

If the Infrastructure Loan constitutes a pledge of the full faith and credit of the Local Government, upon an event of default under any document relating to the Program the Administration or the Trustee may sue and obtain a judgment against the Local Government. Nevertheless, upon obtaining a judgment, it may be necessary to seek additional relief, such as mandamus against officials of the Local Government, to compel the Local Government to levy and collect such taxes or to set and collect fees as may be necessary to provide funds from which the judgment may be paid. The efficacy of such relief may depend upon the cooperation of the Local Government and its officials. Enforcement of the claim for payment of principal and interest on a defaulted Infrastructure Loan may be subject to the provisions of Chapter IX of the United States Bankruptcy Code or statutes hereinafter enacted which extend the time of payment or impose constraints upon enforcement.

The ability of the Administration or the Trustee to enforce their respective rights or exercise remedies upon default under an Infrastructure Loan is dependent upon legal and procedural requirements and judicial actions which may be subject to discretion and delay. Under existing law and judicial decisions (including laws relating to bankruptcy), the remedies provided for under the Infrastructure Loan documents may not be readily available or may be limited. There is no direct authority under Maryland law permitting a levy upon the property of Local Governments for the payment of their debts or judgments against them.

The Pledge Agreement. The Administration may, on default in the payment of the principal of and interest on a Local Obligation, exercise its rights under the Pledge Agreement (if any) with the Local Government and Guarantor Political Subdivision to require payment of Local Government Payments due the Local Government from the State directly to the Administration or the Trustee. The Administration's ability to enforce the Pledge Agreement or to obtain any such Local Government Payments of the Local Government from the State in accordance with the Pledge Agreement may be subject to the availability of such funds, to court proceedings, the timing and outcome of which are uncertain, and to other uncertainties. In addition, Local Government Payments may be pledged to secure other loans from or amounts due to the Administration, other agencies of the State, or other creditors. See Appendix B – "Local Government and Local Obligations" – for descriptions of available Local Government Payments for certain fiscal years. The Comptroller and the Treasurer of the State have not established any system to determine the priority of such pledges. Accordingly, there can be no assurance as to the priority, if any, of any such pledge, or of the availability of funds from any such pledge to pay the amounts due on an Infrastructure Loan financed with the proceeds of any Series of Bonds. Certain Local Government Payments may be dedicated to specific uses or purposes, such as education or transportation, and, accordingly, may not be available to pay debt service on the Local Obligations.

Enforcement of Pledges of Revenues or Other Assets. Under the Current Resolution, a Local Obligation may be a special, limited or revenue obligation of the Local Government secured by a pledge of revenues, proceeds, payments, rents, charges and other income derived from an Infrastructure Project or any other facilities of a Local Government or by a lien on assets of the Local Government. Upon the occurrence of an event of default under any document relating to the Program, the remedies of the Administration available under the Infrastructure Loan documents may not be readily available or may be limited. For example, the Administration may not as a practical matter be able to foreclose upon mortgaged assets of the Local Government and would be required to seek a receiver for such assets. A receiver might be required to continue to operate the asset and revenues derived from the asset may be available only to pay the Local Obligation after payment of all expenses.

The Current Resolution also permits a Local Obligation to be subject to annual appropriation of principal and interest by the Local Government. In the event the Local Government failed to appropriate principal and interest, the remedies of the Administration may be limited to repossessing and selling the assets financed by the Local Obligation.

Failure of Local Government to Comply with Covenants Relating to Tax-Exemption of Bonds. The Administration and each of the Local Governments have covenanted to comply with certain restrictions designed to assure that interest on the Series 2014A Bonds will not become includable in gross income. Failure to comply with these covenants may result in interest on the Series 2014A Bonds being included in gross income from the date of issue of the Series 2014A Bonds regardless of the date on which the event causing such taxability occurs. In such event, enforcement remedies available to the Administration may be inadequate to prevent the loss of tax exemption of interest on the Series 2014A Bonds retroactive to the date of issuance of such Series. In such event, there is no provision for either acceleration or redemption of the Series 2014A Bonds or to increase the rate of interest paid on any of the Bonds, and owners of the Series 2014A Bonds may be required to hold such Bonds bearing taxable interest until maturity.

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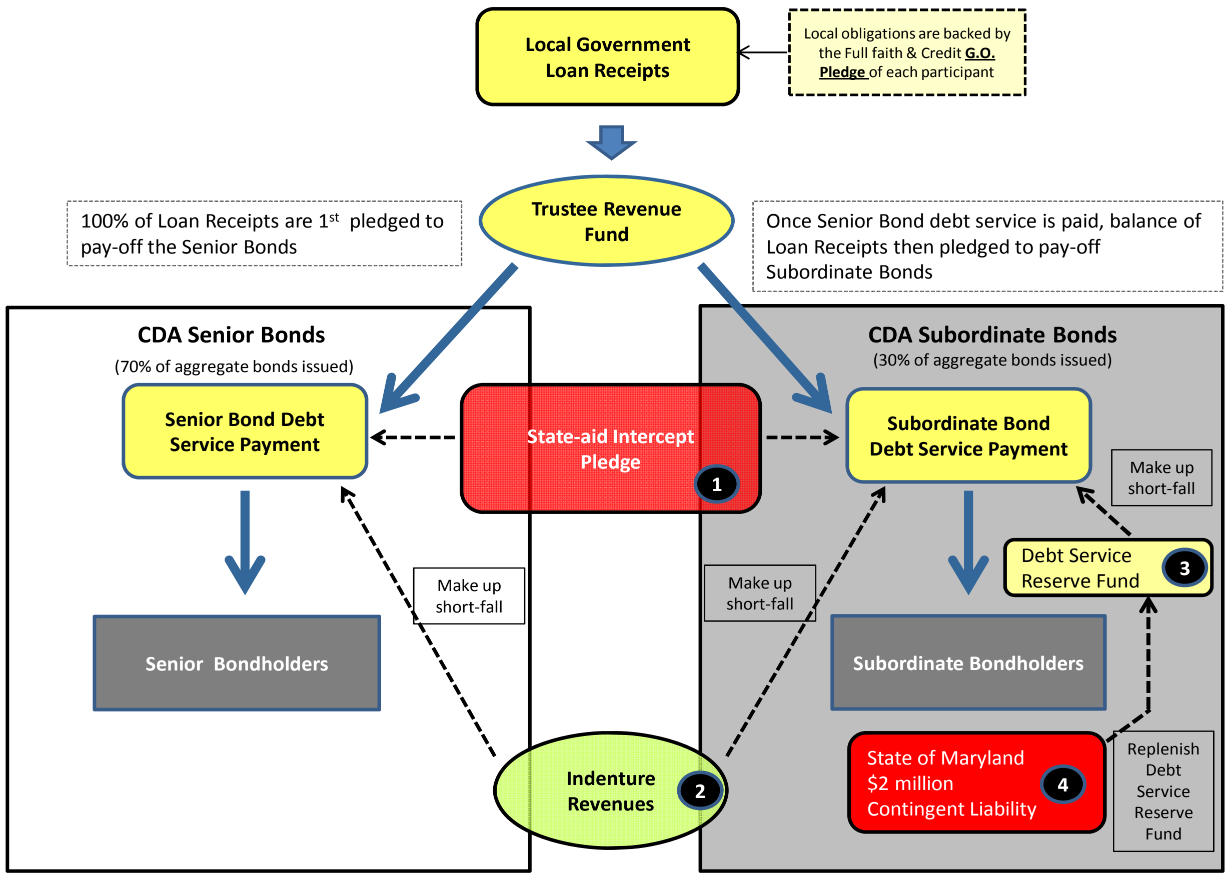
PAYMENT FLOW OF FUNDS CHART



Default Scenario – Sequence of Events

1. Employ State-aid Intercept mechanism first toward the Senior Bonds, and second toward the Subordinated Bonds.

2. Apply funds from available revenues generated from the Infrastructure Indenture, if any.

3. Specific to the Series 2014A-2 Bonds, draw on the 2014A-2 Debt Service Reserve Fund. Prior Subordinated Bonds draw on the the Prior Debt Service Reserve Funds.

4. Replenish the 2014A-2 Debt Service Reserve Fund and the Prior Debt Service Reserve Funds with monies available through the Contingent Liability.

Ongoing : The Administration shall enforce its rights, as provided for and described under loan agreements and Maryland law, including the State-aid Intercept mechanism, to recover any balance owed by a participating Local Government in order to reimburse the State.

TAX MATTERS

Maryland Income Taxation

In the opinion of Bond Counsel, by the terms of the Act, Series 2014A Bonds, their transfer, the interest payable thereon, and any income derived therefrom, including any profit realized in their sale and exchange, are exempt from taxation of every kind and nature whatsoever by the State of Maryland or by any of its political subdivisions, or any of its governmental units of any kind. No opinion is expressed as to estate or inheritance taxes, or any other taxes not levied or assessed directly on the Series 2014A Bonds, their transfer or income therefrom.

Interest on the Series 2014A Bonds may be subject to state or local income taxes in jurisdictions other than the State of Maryland under applicable state or local tax laws. Holders or prospective purchasers of the Series 2014A Bonds should consult their tax advisors regarding the taxable status of the Series 2014A Bonds in a particular state or local jurisdiction other than the State of Maryland.

Federal Income Taxation

In the opinion of Bond Counsel, assuming compliance with certain covenants described herein, the interest on the Series 2014A Bonds will be excludable from gross income for federal income tax purposes under existing statutes, regulations, and decisions.

Under the provisions of the Code, there are certain restrictions that must be met subsequent to the delivery of the Series 2014A Bonds in order for interest on the Series 2014A Bonds to remain excludable from gross income for federal income tax purposes, including restrictions that must be complied with throughout the term of the Series 2014A Bonds. These include the following: (i) a requirement that certain earnings received from the investment of the proceeds of the Series 2014A Bonds be rebated to the United States of America under certain circumstances (or that certain payments in lieu of rebate be made); (ii) other requirements applicable to the investment of the proceeds of the Series 2014A Bonds; and (iii) other requirements applicable to the use of the proceeds of the Series 2014A Bonds and the facilities financed and refinanced with such proceeds. Failure to comply with one or more of these requirements could result in the inclusion of the interest payable on the Series 2014A Bonds in gross income for federal income tax purposes, effective from the date of their issuance. The Administration and the Local Governments have made certain covenants regarding actions required to maintain the excludability from gross income for federal income tax purposes of interest on the Series 2014A Bonds. It is the opinion of Bond Counsel that, assuming compliance with such covenants, the interest on the Series 2014A Bonds will remain excludable from gross income for federal income tax purposes under the provisions of the Code

Further, Bond Counsel is of the opinion that, under existing law, interest on the Series 2014A Bonds is not included in the alternative minimum taxable income of individuals, corporations, or other taxpayers as an enumerated item of tax preference or other specific adjustment, but may be taken into account in determining "adjusted current earnings" for purposes of computing the alternative minimum tax on corporations. However, interest income on the Series 2014A Bonds will be subject to the branch profits tax imposed by the Code on certain foreign corporations engaged in a trade or business in the United States.

In rendering its opinion, Bond Counsel will rely, without independent investigation, on the Tax and Section 148 Certificate made on behalf of the Administration by officers thereof with respect to certain material facts within the knowledge of the Administration, and on related certificates made on behalf of the Local Governments with respect to certain matters within the knowledge of the Local Governments relevant to the tax-exempt status of interest on the Series 2014A Bonds.

Tax Accounting Treatment of Discount Bonds

Certain maturities of the Series 2014A Bonds may be issued at an initial public offering price which is less than the amount payable on such Series 2014A Bonds at maturity (the "Discount Bonds"). The difference between the initial offering price at which a substantial amount of the Discount Bonds of each maturity was first sold and the principal amount of such Discount Bonds payable at maturity constitutes original issue discount. In the case of any holder of Discount Bonds, the amount of such original issue discount which is treated as having accrued with respect to such Discount Bonds is added to the original cost basis of the holder in determining, for federal income tax purposes, gain or loss upon disposition (including sale, early redemption or repayment at maturity). For federal income tax purposes (i) any holder of a Discount Bond will recognize gain or loss upon the disposition of such security (including sale, early redemption or payment at maturity) in an amount equal to the difference between (a) the amount received upon such disposition and (b) the sum of (1) the holder's original cost basis in such Discount Bond, and (2) the amount of original issue discount attributable to the period during which the holder held such Discount Bond, and (ii) the amount of the basis adjustment described in clause (i)(b)(2) will not be included in the gross income of the holder.

Original issue discount on Discount Bonds will be attributed to permissible compounding periods during the life of any Discount Bonds in accordance with a constant rate of interest accrual method. The yield to maturity of the Discount Bonds of each maturity is determined using permissible compounding periods. In general, the length of a permissible compounding period cannot exceed the length of the interval between debt service payments on the Discount Bonds and must begin or end on the date of such payments. Such yield then is used to determine an amount of accrued interest for each permissible compounding period. For this purpose, interest is treated as compounding periodically at the end of each applicable compounding period. The amount of original issue discount which is treated as having accrued in respect of a Discount Bond for any particular compounding period is equal to the excess of (i) the product of (a) the yield for the Discount Bond (adjusted as necessary for an initial short period) divided by the number of compounding periods in a year multiplied by (b) the amount that would be the tax basis of such Discount Bond at the beginning of such period if held by an original purchaser who purchased at the initial public offering price, over (ii) the amount actually payable as interest on such Discount Bond during such period. For purposes of the preceding sentence, the tax basis of a Discount Bond, if held by an original purchaser, can be determined by adding to the initial issue price of such Discount Bond the original issue discount that is treated as having accrued during all prior compounding periods. If a Discount Bond is sold or otherwise disposed of between compounding dates, then interest which would have accrued for that compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Holders of Discount Bonds should note that, under the tax regulations, the yield and maturity of a Discount Bond are determined without regard to commercially reasonable sinking fund payments and any original issue discount remaining unaccrued at the time that a Discount Bond is redeemed in advance of stated maturity will be treated as taxable gain. Moreover, tax regulations prescribe special conventions for determining the yield and maturity of certain debt instruments that provide for alternative payment schedules applicable upon the occurrence of certain contingencies.

The yields (and related prices) provided by the Underwriters for the Series 2014A Bonds and shown on the inside cover of this Official Statement may not reflect the initial offering prices for purposes of determining the original issue discount for federal income tax purposes.

The foregoing summarizes certain federal income tax consequences of original issue discount with respect to the Discount Bonds but does not purport to deal with all aspects of federal income taxation that may be relevant to particular investors or circumstances, including those set out above. Prospective purchasers of Discount Bonds should consider possible state and local income, excise or franchise tax consequences arising from original issue discount on Discount Bonds. In addition, prospective corporate purchasers should consider possible federal tax consequences arising from original issue discount on such Discount Bonds under the alternative minimum tax or the branch profits tax. The amount of original issue discount considered to have accrued may be reportable in the year of accrual for state and local tax purposes or for purposes of the alternative minimum tax or the branch profits tax without a corresponding receipt of cash with which to pay any tax liability attributable to such discount. Purchasers with questions concerning the detailed tax consequences of transactions in the Discount Bonds should consult their tax advisors.

Additional Federal Income Tax Considerations

Certain Federal Tax Consequences of Ownership

There are other federal income tax consequences of ownership of obligations such as the Series 2014A Bonds under certain circumstances, including the following: (i) deductions are disallowed for certain expenses of taxpayers allocable to interest on tax-exempt obligations, as well as interest on indebtedness incurred or continued to purchase or carry tax-exempt obligations and interest expense of financial institutions allocable to tax-exempt interest; (ii) for property and casualty insurance companies, the amount of the deduction for losses incurred must be reduced by 15% of the sum of tax-exempt interest received or accrued and the deductible portion of dividends received by such companies; (iii) interest income which is exempt from tax must be taken into account for the purpose of determining whether, and what amount of, social security or railroad retirement benefits are includable in gross income for federal income taxation purposes; (iv) for S corporations having Subchapter C earnings and profits, the receipt of certain levels of passive investment income, including interest on tax-exempt obligations such as the Series 2014A Bonds, can result in the imposition of tax on such passive investment income and, in some cases, loss of S corporation status; and (v) net gain realized upon the sale or other disposition of property such as the Series 2014A Bonds generally must be taken into account when computing the 3.8% Medicare tax with respect to net investment income imposed on certain high income individuals and specified trusts and estates.

Purchase, Sale and Retirement of Series 2014A Bonds

Except as noted below with respect to accrued market discount, the sale or other disposition of a Series 2014A Bond will normally result in capital gain or loss to its holder. A holder's initial tax basis in a Series 2014A Bond will be its cost. Upon the sale or retirement of a Series 2014A Bond, for federal income tax purposes a holder will recognize capital gain or loss upon the disposition of such security (including sale, early redemption or payment at maturity) in an amount equal to the difference between (a) the amount received upon such disposition and (b) the tax basis in such Series 2014A Bond, determined by adding to the original cost basis in such Series 2014A Bond the amount of original issue discount that is treated as having accrued as described above under "Tax Accounting Treatment of Discount Bonds." Such gain or loss will be a long-term capital gain or loss if at the time of the sale or retirement the Series 2014A Bond has been held for more than one year. Under present law both long and short-term capital gains of corporations are taxed at the rates applicable to ordinary income. For noncorporate taxpayers, however, short-term capital gains are taxed at the rates applicable to ordinary income, while net capital gains are taxed at lower rates. Net capital gains are the excess of net long-term capital gains (gains on capital assets held for more than one year) over net short-term capital losses.

If a holder acquires a Series 2014A Bond after its original issuance at a discount below its principal amount (or in the case of a Series 2014A Bond issued at an original issue discount, at a price that produces a yield to maturity higher than the yield to maturity at which such Series 2014A Bond was first issued), the holder will be deemed to have acquired the Series 2014A Bond at "market discount," unless the amount of market discount is *de minimis*, as described in the following paragraph. If a holder that acquires a Series 2014A Bond with market discount subsequently realizes a gain upon the disposition of the Series 2014A Bond, such gain shall be treated as taxable interest income to the extent such gain does not exceed the accrued market discount attributable to the period during which the holder held such Series 2014A Bond, and any gain realized in excess of such market discount will be treated as capital gain. Potential purchasers should consult their tax advisors as to the proper method of accruing market discount.

In the case of a Series 2014A Bond not issued at an original issue discount, market discount will be *de minimis* if the excess of the Series 2014A Bond's stated redemption price at maturity over the holder's cost of acquiring the Series 2014A Bond is less than 0.25% of the stated redemption price at maturity multiplied by the number of complete years between the date the holder acquires the Series 2014A Bond and its stated maturity date. In the case of a Series 2014A Bond issued with original issue discount, market discount will be *de minimis* if the excess of the Series 2014A Bond's revised issue price over the holder's cost of acquiring the Series 2014A Bond is less than 0.25% of the revised issue price multiplied by the number of complete years between the date the holder acquires the Series 2014A Bond and its stated maturity date. For this purpose, a Series 2014A Bond's "revised issue price" is the sum of (i) its original issue price and (ii) the aggregate amount of original issue discount that is treated as having accrued with respect to the Series 2014A Bond during the period between its original issue date and the date of acquisition by the holder.

A Series 2014A Bond will be considered to have been issued at a premium if, and to the extent that, the holder's tax basis in the Series 2014A Bond exceeds the amount payable at maturity (or, in the case of a Series 2014A Bond callable prior to maturity, the amount payable on the earlier call date). Under tax regulations applicable to the Series 2014A Bonds, the amount of the premium would be determined with reference to the amount payable on that call date (including for this purpose the maturity date) which produces the lowest yield to maturity on the Series 2014A Bonds. The holder will be required to reduce his tax basis in the Series 2014A Bond for purposes of determining gain or loss upon disposition of the Series 2014A Bond by the amount of amortizable bond premium that accrues (determined in the manner prescribed in the regulations) during such holder's period of ownership. No deduction (or other tax benefit) is allowable in respect of any amount of amortizable bond premium on the Series 2014A Bonds. Purchasers with questions concerning the detailed tax consequences of transactions involving bonds issued at a premium should consult their tax advisors.

Backup Withholding

If a holder of a Series 2014A Bond (other than a corporation or other specified exempt entity) fails to satisfy applicable information reporting requirements imposed by the Code, interest payments to the holder will be subject to "backup withholding", which means that the payor of the interest is required to deduct and withhold a tax equal to 28% of the interest payment. In general, the information reporting requirements (where applicable) are satisfied if the holder completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification". Backup withholding should not occur if a holder purchases a Series 2014A Bond through a brokerage account with respect to which a Form W-9 has been provided, as generally can be expected. In any event, backup withholding does not affect the excludability of the interest on the Series 2014A Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be subject to recovery by the holder through proper refund or credit.

The foregoing is only a general summary of certain provisions of the Code as enacted and in effect on the date hereof and does not purport to be complete; holders of the Series 2014A Bonds should consult their own tax advisors as to the effects, if any, of the Code (and any proposed or subsequently enacted amendments to the Code) in their particular circumstances.

See Appendix D hereto for the proposed form of opinion of Bond Counsel.

Legislative Developments

Legislative proposals currently under consideration or proposed after issuance and delivery of the Series 2014A Bonds could adversely affect the market value of the Series 2014A Bonds. Further, if enacted into law, any such proposal could cause the interest on the Series 2014A Bonds to be subject, directly or indirectly, to federal income taxation and could otherwise alter or amend one or more of the provisions of federal tax law described above or their consequences. Prospective purchasers of the Series 2014A Bonds should consult with their tax advisors as to the status and potential effect of legislative proposals, as to which Bond Counsel expresses no opinion.

FINANCIAL STATEMENTS OF THE PROGRAM

This Official Statement includes audited financial statements (the "Financial Statements") for the years ended June 30, 2013 and June 30, 2012, for the Community Development Administration Local Government Infrastructure Bonds in Appendix E which were audited by CohnReznick, LLP, formerly known as Reznick Group, P.C. (the "Auditors"). Unaudited financial statements for the nine months ended March 31, 2014 for the Community Development Administration, Local Government Infrastructure Bonds are also included in Appendix E.

The Financial Statements have been audited by the Auditors, who are independent certified public accountants, as indicated in their reports with respect thereto and are included herein in reliance upon the authority of such firm as an expert in giving such report. As indicated in the report of the Auditors, such Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States and audited in accordance with auditing standards generally accepted in the United States.

LITIGATION

There is no pending litigation of any nature restraining or enjoining or seeking to restrain or enjoin the issuance, sale or delivery of the Series 2014A Bonds or in any way contesting or affecting the validity of the Series 2014A Bonds, the Resolutions or other proceedings of the Secretary taken with respect to the authorization, issuance or sale of the Series 2014A Bonds, the Bonds, the Program, the pledge or application of any moneys by the Administration under the Resolutions, or the existence or powers of the Administration.

LEGAL MATTERS

McKennon Shelton & Henn LLP, Baltimore, Maryland, Bond Counsel, is acting as Bond Counsel to the Administration in connection with the issuance of the Series 2014A Bonds. The proposed form of Bond Counsel's approving opinion will be in substantially the form set forth in Appendix D. Certain legal matters pertaining to the Administration will be passed upon by an Assistant Attorney General of the State as Counsel to the Department. Certain legal matters will also be passed on for the Underwriters by Miles & Stockbridge P.C.

LEGALITY FOR INVESTMENT

Under the Act, the Series 2014A Bonds are securities in which all public officers and governmental units of the State and its political subdivisions and all 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 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 Series 2014A Bonds are securities which may properly and legally be deposited with and received by any officer of the State or any political subdivision or by 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.

UNDERWRITING

The Series 2014A Bonds are being purchased on a negotiated basis pursuant to the Bond Purchase Agreement dated August 13, 2014 (the "Bond Purchase Agreement") between the Administration and M&T Securities, Inc., as representative for the underwriters named in the Bond Purchase Agreement (the "Underwriters"). The Underwriters have agreed to purchase the Series 2014A Bonds at the initial offering prices set forth on the inside cover hereof, which reflects a net original issue premium of $503,913.80. The Underwriters will receive a fee of $326,632.50 relating to their purchase of the Series 2014A Bonds.

The Bond Purchase Agreement provides that the Underwriters will purchase all but not less than all of the Series 2014A Bonds. The Underwriters' obligation to make such purchase is subject to certain conditions set forth in the Bond Purchase Agreement. The prices at which the Series 2014A Bonds are offered to the public (and the yields resulting therefrom) may vary from the initial public offering prices appearing on the inside cover page of this Official Statement. In addition, the Underwriters may offer and sell any of the Series 2014A Bonds to certain dealers (including dealers depositing such Series 2014A Bonds into investment trusts) and certain dealer banks and banks acting as agents at prices lower than the initial public offering prices stated on the inside cover page hereof.

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

J.P. Morgan Securities LLC ("JPMS"), one of the Underwriters of the Series 2014A Bonds, has entered into a negotiated dealer agreement (a "Dealer Agreement") with Charles Schwab & Co., Inc. ("CS&Co.") for the retail distribution of certain municipal securities offerings at the original issue prices. Pursuant to the Dealer Agreement, CS&Co. will purchase Series 2014A Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Series 2014A Bonds that CS&Co. sells.

Loop Capital Markets LLC, one of the Underwriters of the Series 2014A Bonds, has entered into a distribution agreement ("Distribution Agreement") with Deutsche Bank Securities Inc. ("DBS") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to the Distribution Agreement (if applicable to this transaction), DBS will purchase the Series 2014A Bonds from Loop Capital Markets LLC at the original issue prices less a negotiated portion of the selling concession applicable to any Series 2014A Bonds that such firm sells.

Morgan Stanley, parent company of Morgan Stanley & Co. LLC, an underwriter of the Series 2014A Bonds has entered into a retail distribution arrangement with Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Series 2014A Bonds.

RATINGS

Moody's Investors Service, Inc. ("Moody's") has assigned its municipal bond rating of "Aa3" stable outlook to the Series 2014A-1 Bonds and its municipal bond rating of "Aa2" stable outlook to the Series 2014A-2 Bonds. The assigned ratings reflect only the views of Moody's and an explanation of the significance of those ratings may be obtained only from Moody's. There is no assurance that the ratings, once assigned, will continue for any period of time or that either or both of the ratings will not be revised, reduced or withdrawn for either or both series of the Series 2014A Bonds. The Administration has not agreed to maintain the ratings, to notify the owners of an affected series of the Series 2014A Bonds of any proposed or threatened change or withdrawal of either or both ratings (other than actual material rating changes within the scope of the Administration's continuing disclosure undertaking described below) or to oppose any proposed or threatened change or withdrawal of the ratings. Any reduction or withdrawal of ratings for a series of the Series 2014A Bonds would have an adverse effect upon the market price of the Series 2014A Bonds.

Neither the Administration nor the Local Governments have applied to any rating service for a credit rating on the Infrastructure Loans expected to be financed with the proceeds of the Series 2014A Bonds. The Administration makes no representations concerning any credit rating which bonds or notes of the Local Governments may have received from any rating service.

CONTINUING DISCLOSURE

The Administration

Annual Information. The Administration has agreed, in accordance with the provisions of Rule 15c2-12 (the "Rule"), adopted by the Securities and Exchange Commission (the "Commission") under the Securities and Exchange Act of 1934, as amended, to provide, or cause to be provided, to each nationally recognized municipal securities information repository and to the appropriate state information depository, if any, for the State, in accordance with the Rule, when and if available, but in any event within nine months after the end of each fiscal year of the Administration, the following annual financial information and operating data (the "Annual Information"):

1. a copy of the annual financial statements of the Administration's Local Government Infrastructure Bonds prepared in accordance with generally accepted accounting principles and audited by a certified public accountant;

2. a copy of the annual financial statement of each Local Government having, as of the end of such fiscal year, an aggregate outstanding unpaid principal balance of Infrastructure Loans under the Program equal to or greater than 10% of the outstanding principal amount of all Infrastructure Loans financed under the Program (and, if such Infrastructure Loans are guaranteed by a Political Subdivision, the annual financial statement of the Guarantor Political Subdivision), prepared and audited in accordance with law (which currently requires that such statements be prepared in accordance with generally accepted accounting principles and audited by a certified public accountant); and

3. an update of the financial information in this Official Statement contained in Appendix B – "LOCAL GOVERNMENTS AND LOCAL OBLIGATIONS" for each Local Government or Guarantor Political Subdivision meeting the criteria described in paragraph 2 immediately above.

As of the date of this Official Statement the repository established by the Municipal Securities Rulemaking Board ("MSRB"), known as the Electronic Municipal Market Access System ("EMMA") http://emma.msrb.org/, is the only repository approved by the Commission. The Administration may, at its option, satisfy the foregoing obligations by either: (i) providing an official statement for one or more Series of Bonds or by specific reference, in accordance with the Rule, to one or more official statements provided previously, or (ii) to the extent permitted by the Rule, by filing (or requiring Local Governments or Guarantor Political Subdivisions to file) and incorporating by reference the annual audited financial statements of, or the Uniform Financial Report (Forms F-65(MD-2) or F-65(MD-2A) or any substitute or successor reports) prepared and filed with the Maryland State Department of Legislative Services by, in either case, each Political Subdivision receiving an Infrastructure Loan (or guaranteeing an Infrastructure Loan to one of its agencies or instrumentalities) made from the proceeds of the Series 2014A Bonds that meets the requirements of paragraph 2 above, for so long as the Infrastructure Loan is outstanding. The Administration may, at its option, but is not obligated to, provide information about other Local Governments receiving an Infrastructure Loan or guaranteeing an Infrastructure Loan to one of its agencies or instrumentalities. Any Annual Information or other information described above submitted to EMMA by the Administration will be submitted in electronic format, as prescribed by the MSRB. See Appendix B – "LOCAL GOVERNMENTS AND LOCAL OBLIGATIONS – Financial Information of Local Governments" for a description of the Uniform Financial Report.

Event Information. The Administration has also agreed to provide to the MSRB, or cause to be provided to the MSRB, in electronic format as prescribed by MSRB, notice of the occurrence of any of the following events with respect to any of the Series 2014A Bonds (each, a "Listed Event"), in a timely manner, not in excess of ten (10) business days after the occurrence of such Listed Event:

1. principal and interest payment delinquencies;

2. non-payment related defaults, if material;

3. unscheduled draws on debt service reserves reflecting financial difficulties;

4. unscheduled draws on credit enhancements, if any, reflecting financial difficulties;

5. substitution of credit or liquidity providers, if any, or their failure to perform;

6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Series 2014A Bonds, or other material events affecting the tax status of the Series 2014A Bonds;

7. modifications to rights of holders of the Series 2014A Bonds, if material;

8. bond calls, if material, and tender offers;

9. defeasances;

10. release, substitution, or sale of property securing repayment of any of the Series 2014A Bonds, if material;

11. rating changes;

12. bankruptcy, insolvency, receivership or similar event of the obligated person;

13. the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; or

14. appointment of a successor or additional trustee, or the change of name of a trustee, if material.

Certain events described in the subparagraphs numbered 4, 5 and 8 above may not be applicable because no credit or liquidity facility has been established with respect to the Series 2014A Bonds and no tender rights have been established for the Series 2014A Bonds.

Additional Agreements and Limitations. In a timely manner, the Administration will give, or cause to be given to the MSRB notice of any failure by the Administration or a Local Government to provide any information described under the headings "Annual Information" or "Event Information" on or before the dates specified therein.

The Administration has reserved the right to modify from time to time the specific types of information provided and the format of the presentation of such financial information, to the extent necessary or appropriate in the judgment of the Administration. The Administration has agreed that any such modification will be undertaken in a manner consistent with the Rule.

The Administration has reserved the right to terminate its obligation to provide financial information and notices of material events, as described above, as to any Series of Bonds or the owners thereof if and when the Administration no longer remains an obligated person with respect to such Series of Bonds within the meaning of the Rule.

The Administration has agreed that its undertaking pursuant to the Rule described herein is intended to be for the benefit of any holder or beneficial owner of any of the Series 2014A Bonds. Such holder's and beneficial owner's right to enforce the provisions of this undertaking is limited to a right to obtain specific enforcement of the Administration's obligations with respect thereto. The undertaking further provides that the venue for any legal proceeding to enforce the undertaking shall be in a court within the State. Any failure by the Administration to comply with the provisions of its undertaking will not be an event of default with respect to the Bonds under the Current Resolution or under any Series Resolution.

The provisions of the undertaking with respect to the Rule described above may be amended, without the consent of the holders or the beneficial owners of any of the Series 2014A Bonds, to the extent required or permitted by any amendment to the Rule becoming effective after the date hereof.

Compliance. During the previous five years, there have been instances where the Administration has not complied in all material respects with undertakings related to certain bonds of the Administration issued under the Current Resolution and any Prior Program Resolutions (collectively, the "LGIF Program Bonds"). While the Administration has timely filed the local government annual financial information with respect to the LGIF Program Bonds, the annual financial statements of the Administration for the LGIF Program Bonds for fiscal years ended 2009, 2010 and 2011 were not timely filed on EMMA in calendar years 2010, 2011 and 2012, respectively. During the period the annual financial statements of the Administration were not available on EMMA, such annual financial statements were available and remain available to the investing public on the Administration's website at www.mdhousing.org under "Investor Information." In all other instances, the Administration timely filed the required annual financial information on EMMA; however, the relevant annual financial information of the Administration for fiscal years 2009, 2010, 2012 and 2013 was not properly associated with the CUSIP for certain bonds of the Administration, including certain LGIF Program Bonds. As of the date hereof, the Administration is of the opinion that it has filed all required annual financial information and has properly associated all CUSIPs with the related bonds issued by the Administration.

The long-term rating of the Series 2010A-2 Bonds were upgraded from Aa3 to Aa1 by Moody's on December 14, 2012 and the long-term rating of the Administration's Local Government Infrastructure Bonds (Mayor and City Council of Cumberland Issue), 2011 Series A, issued on August 31, 2011 were upgraded from Aa2 to Aa1 by Moody's on September 9, 2013. In each instance, notice of such upgrade was not timely filed but the Administration subsequently filed such notices. In addition, the short-term ratings of the Administration's Residential Revenue Bonds, 2007 Series J and 2007 Series M, were downgraded on June 15, 2012, as a result of the downgrading of the rating of the related liquidity provider. Notice of such ratings downgrades was not timely filed, but on July 26, 2012, such bonds were remarketed in connection with the replacement of the liquidity provider pursuant to separate remarketing memoranda, each dated July 19, 2012, and each reflecting such replacement and the restoration of such ratings.

The Administration has implemented procedures intended to ensure that similar instances will not occur in the future.

The Local Governments

(a) The Local Governments agree to provide to the Administration the following information in accordance with the Rule:

(i) annual audited financial statements of the Local Government;

(ii) annual audited financial statements of any Political Subdivision guaranteeing the Local Obligation of the Local Government;

(iii) a copy of the Uniform Financial Report (Form F-65 (MD-2) or F-65 (MD-2A) or any successor or replacement form) prepared and filed with Maryland State Department of Fiscal Services by each Political Subdivision either receiving an Infrastructure Loan or guaranteeing an Infrastructure Loan to one of its agencies or instrumentalities made from the proceeds of the Series 2014A Bonds;

(iv) if requested by the Administration or if the filing of Uniform Financial Report (or comparable report) is no longer required, an update of the financial information relating to the Local Government contained in Appendix B of the Official Statement of the Administration for the Series 2014A Bonds that financed the Local Government Obligation; and

(v) all other financial and operating information that the Administration requests in order to comply with the requirements of the Rule.

(b) The Local Governments shall provide to the Administration, in a timely manner, not in excess of three (3) business days after the occurrence of such Listed Event, notice of the following events relating to the Local Government Obligation, the Local Governments, or to any Political Subdivision guaranteeing the Local Government Obligation:

(1) principal and interest payment delinquencies;

(2) non-payment related defaults, if material;

(3) unscheduled draws on debt service reserves reflecting financial difficulties;

(4) unscheduled draws on credit enhancements reflecting financial difficulties;

(5) substitution of credit or liquidity providers, or their failure to perform,

(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Local Government Obligation, or other material events affecting the tax status of the Local Government Obligation;

(7) modifications to rights of holders of the Local Government Obligation, if material;

(8) bond calls, if material, and tender offers;

(9) defeasances;

(10) release, substitution, or sale of property securing repayment of any Local Government Obligation, if material;

(11) rating changes;

(12) bankruptcy, insolvency, receivership or similar event of the obligated person;

(13) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; or

(14) appointment of a successor or additional trustee, or the change of name of a trustee, if material.

Certain events described in the subparagraphs numbered 4, 5 and 8 above may not be applicable because no credit or liquidity facility has been established with respect to the Series 2014A Bonds and no tender rights have been established for the Series 2014A Bonds.

(c) Failure of a Local Government to provide the information required under this Section timely may result in the failure being reported by the Administration to the Municipal Securities Rulemaking Board. One Local Government participating under the Current Resolution and one Local Government participating under a Prior Program Resolution have not filed all of the required financial information. The Administration has timely reported such failures to EMMA, naming the Local Governments, as part of the Administration's annual filing under the Rule. The Administration is continuing its efforts to obtain such information from those Local Governments and will file such information with EMMA promptly after its receipt thereof.

MISCELLANEOUS

Summaries and Descriptions in this Official Statement

The summaries and explanation of, or references to, the Act, the Program financing documents, the Resolutions and the Series 2014A 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 offices of the Administration.

Financial Advisors

Caine Mitter & Associates, Incorporated and Strategic Solutions Center, LLC serve as financial advisors to the Administration and have assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring, issuance and sale of the Series 2014A Bonds.

Selection and Compensation of Professionals

The Administration's financial advisors are selected by the Administration periodically through a competitive process in accordance with State procurement law. Compensation of the financial advisors is not contingent on the sale of the Series 2014A 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 Series 2014A Bonds.

Relationship of Parties

M&T Securities, Inc., the representative for the Underwriters of the Series 2014A Bonds, is a subsidiary of Manufacturers and Traders Trust Company, the Trustee for the Series 2014A Bonds.

A Principal of Miles & Stockbridge P.C. is a member of the Board. See Appendix A – "The Department and the Administration – General Information" for a description of the Board. That Board member expressly refrained from participating in the discussion of the issuance of the Series 2014A Bonds under the Program and abstained from voting on any matters related to such issuance.

McKennon Shelton & Henn LLP, Bond Counsel to the Administration in connection with the issuance of the Series 2014A Bonds, has served from time to time as outside counsel to Manufacturers and Traders Trust Company in unrelated matters. McKennon Shelton & Henn LLP has also served as bond counsel to the St. Mary's County Metropolitan Commission, one of the Local Governments receiving a loan from proceeds of the Series 2014A Bonds, in unrelated matters.

* * * * *

This Official Statement is not to be construed as a contract or agreement between the Administration and the purchasers or the owners of any of the Series 2014A 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.

COMMUNITY DEVELOPMENT ADMINISTRATION
MARYLAND DEPARTMENT OF HOUSING AND
COMMUNITY DEVELOPMENT

By: /s/ Frank B. Coakley
Frank B. Coakley, Director

August 13, 2014

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APPENDIX A

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 Laws of Maryland 1987, effective July 1, 1987, abolished the Department of Economic and Community Development, created the Department and assigned the Administration as a unit in the Division of Development Finance of the Department.

The Department consists of five divisions: the Division of Development Finance ("DDF"), the Division of Credit Assurance, the Division of Neighborhood Revitalization ("DNR"), the Division of Finance and Administration ("DFA") and the Division of Information Technology ("IT"). The Secretary of Housing and Community Development (the "Secretary") is the head of the Department and is appointed by the Governor with the advice and consent of the Senate.

DDF, through the Administration, is the bond issuing division of the Department. DDF is also a lending division of the Department, originating loans under various lending programs and providing loan underwriting services to the Department and its other divisions and units. DDF is responsible for managing all aspects relating to the bond issuance and the Program's general management and administration.

DFA 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 and insurance activities. The Administration's finance office reports directly to the Director of the Administration.

IT develops and maintains information systems and trains staff of the Department in the use of computer resources.

The Secretary, with the approval of the Governor, appoints the Director of the Administration. The Director of the Administration, with the approval of the Secretary, appoints the Deputy Director of the Administration and other senior staff members of the Administration. The Act establishes a Housing Finance Review Committee (the "Review Committee") which has the responsibility to review and 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, three members of the Department and one member of the executive branch of State Government who is 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 Department has established a Revenue Bond Advisory Board (the "Board"). The Board provides independent advice and expertise to the Department with respect to the 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 from other executive branch agencies of State government (one from an agency which issues revenue bonds and one representative from 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 Current 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 21032-2023. Inquiries for documents or concerning this Official Statement should be directed to Investor Relations, at telephone: 410-514-7326, fax: 410-514-7431 or email: 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.

Mr. Skinner has announced his resignation from his position as Secretary of the Department effective September 1, 2014. A successor has not yet been announced.

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 Master of Business Administration degree from Howard University.

Stephen D. Silver was appointed on August 26, 2009 as Chief Financial Officer of the Department and Special Advisor to the Secretary. 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 Maryland Housing Fund. 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 Bachelor of Science degree in accounting from Towson University in 1980 and received his Master of Business Administration 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 University 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 the Deputy Director of the Administration. He previously served as Vice-President of Residential and Consumer Lending and Community Reinvestment Act 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 lien 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 degree from Mount Saint Mary's University and a Master of Business Administration 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 Bachelor of Business Administration degree from the University of Wisconsin, Madison.

Senior Staff of the Administration

Certain information relating to senior staff members who have primary responsibility for the Program is provided below.

Teresa Renee Smith was appointed Director, CDA Finance, effective March 23, 2011 having served as Acting Director since October 2010. For the fourteen months preceding her appointment as Acting Director, Ms. Smith was the Deputy Director of CDA Finance. From August 2006 to August 2009, Ms. Smith was the Portfolio Research and SEC Compliance Officer for an Annapolis financial planning firm. From July 2004 to August 2006, she served the Department in the CDA Finance division as a Senior Financial Analyst. Prior to joining the Department in 2004, Ms. Smith worked briefly for the Baltimore Housing finance division and in other various financial management and investment capacities. Ms. Smith holds a Bachelor of Business Administration degree in Finance from the University of Hawaii and a Master of Business Administration degree from Cameron University in Oklahoma.

Charles F. G. Day Jr., Manager, Infrastructure Finance Program, has been with the Maryland Department of Housing and Community Development since October 2003. Before joining the Department, Mr. Day was employed at Ferris, Baker Watts, Inc. for nearly ten years, working on their municipal fixed income trading desk. Mr. Day holds a Bachelors of Business Administration degree (1991) from James Madison University and a Masters of Business Administration degree (2007) from the University of Maryland Robert H. Smith School of Business.

Other Programs of the Department

In addition to the Program, the staff of the Administration is also responsible for a broad range of housing, community revitalization and other financing programs operated by the Department. The proceeds of Bonds, other funds held under the Current Resolution and any funds held under Prior Program Resolutions are not used to support the Department's housing and other financing programs. Revenues generated by and assets held under such other programs are not subject to the lien of the Current Resolution, any Prior Program 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.

Infrastructure Financing Program Under Prior Program Resolutions. Between 1988 and 1995, the Administration issued eight series of Infrastructure Financing Bonds (Ambac Insured) in the original principal amount of $55,075,000 under its Resolution adopted as of January 1, 1988 (the "1988 Resolution"), for the purpose of financing loans to 34 Local Governments under the infrastructure financing program. Seven series of these bonds were insured and one series was uninsured. As of June 30, 2014, no Infrastructure Financing Bonds (Ambac Insured) remain outstanding. These bonds were issued under the 1988 Resolution and related series resolutions and not the Current Resolution. **These infrastructure loans and the assets and revenues held under the 1988 Resolution and related series resolutions are not subject to the lien of the Current Resolution and are not available to pay principal of or interest on the Bonds.**

Between 1996 and 2001, the Administration issued nine series of Infrastructure Financing Bonds (MBIA Insured) in the original principal amount of $83,190,000 under its Resolution adopted as of May 1, 1996 (the "1996 Resolution"), for the purpose of financing loans to 44 Local Governments under its infrastructure financing program. As of June 30, 2014, $1,697,034.07 of the Infrastructure Financing Bonds (MBIA Insured) remains outstanding for the purpose of financing loans to 9 Local Governments. These bonds were issued under the 1996 Resolution and related series resolutions and not the Current Resolution. **These infrastructure loans and the assets and revenues held under the 1996 Resolution and related series resolutions are not subject to the lien of the Current Resolution and are not available to pay principal of or interest on the Bonds.**

Between 2002 and 2007, the Administration issued nine series of Local Government Infrastructure Bonds (Ambac Insured) in the original principal amount of $96,985,000 under its Resolution adopted as of February 1, 2002 (the "2002 Resolution"), for the purpose of financing loans to 28 Local Governments under its infrastructure financing program. As of June 30, 2014, $48,446,100.00 of the Local Government Infrastructure Bonds (Ambac Insured) remains outstanding for the purpose of financing loans to 24 Local Governments. These bonds were issued under the 2002 Resolution and related series resolutions and not the Current Resolution. **These infrastructure loans and the assets and revenues held under the 2002 Resolution and related series resolutions are not subject to the lien of the Current Resolution and are not available to pay principal of or interest on the Bonds.**

Homeownership Programs. The Administration provides reduced-interest mortgage loans to eligible homebuyers. Since February 1, 2011 the Administration has financed a substantial portion of its recent mortgage loan production through the sale of mortgage-backed securities guaranteed by the Government National Mortgage Association or the Federal National Mortgage Association rather than through the issuance of housing revenue bonds.

The Administration's homeownership staff also operates single family homeownership programs which are funded with State appropriations. These programs, which may or may not be funded at varying levels from year to year, provide low interest mortgages to households of limited income, refinance existing loans for homeowners under hardship circumstances, assist low-income homeowners who suffer temporary involuntary loss of income to avoid mortgage default through deferred loans, provide reverse equity mortgages for elderly homeowners, and provide settlement expense loans for households of limited income.

Multi-Family Programs. Multi-Family Programs include the Department's Housing Development Programs and Rental Service Programs. The Department's Housing Development 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 the development of rental housing developments whose owners are required to set aside certain percentages of available units for families of low or moderate income.

The Rental Housing Fund receives State appropriations to fund the Rental Housing Program. The Rental Housing Program provides low-interest mortgages with flexible repayment terms to increase the supply of new rental housing and to upgrade, rehabilitate and maintain existing rental housing for low income elderly and family tenants.

The Partnership Rental Housing Program provides funding with proceeds from State general obligation bonds 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 Section 8 Housing Choice Voucher program. Under the Section 8 Housing Choice Voucher program, the Department receives federal housing subsidy funds and has authority to serve as a Public Housing Agency in utilizing these funds primarily in Maryland's rural jurisdictions. Under the Rental Assistance Programs, the Administration administers a Rental Allowance Program funded with State appropriations. The Rental Allowance Program is administered through local governments, housing agencies and non-profit organizations, and provides fixed monthly housing assistance payments up to twelve months, subject to extension by the Secretary, to lower income households that are homeless or at risk of being homeless.

In addition, the Department was selected by The U.S. Department of Housing and Urban Development ("HUD") as the Contract Administrator for the Performance-Based Section 8 Housing Assistance Payments ("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.

Neighborhood Revitalization Programs. The Department operates neighborhood revitalization programs through DNR. DNR administers a number of federally and state financed community development programs, including the Neighborhood Business Works Program, which provides gap financing to small businesses and non-profit organizations that are locating or expanding in communities designated for revitalization by local governments.

Outstanding Bonds of the Administration

Since 1976, the Administration has issued bonds to finance its various housing and other programs. As of March 31, 2014, the Administration had housing bonds outstanding of $2,930,051,979 with an original principal amount of $4,212,717,759. **Revenues generated by and assets held under these other bond issues are not subject to the lien of the Current Resolution or available to pay principal of or interest on the Bonds.**

Capitalized terms used in this Appendix and not otherwise defined herein shall have the meaning assigned them in Appendix C of this Official Statement unless the context clearly indicates otherwise. See Appendix C – "SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTIONS – Certain Definitions."

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APPENDIX B

LOCAL GOVERNMENTS AND LOCAL OBLIGATIONS

The Local Government Infrastructure Bonds (Senior Obligations), 2014 Series A-1 (the "Series 2014A-1 Bonds") constitute Senior Bonds under the Current Resolution. The Series 2014A-1 Bonds will be ranked on a parity with and will be equally and ratably secured under the Current Resolution with the Prior Senior Bonds and any series of Additional Bonds constituting Senior Bonds. Capitalized terms used in this Appendix and not otherwise defined herein shall have the meaning assigned them in Appendix C of this Official Statement unless the context clearly indicates otherwise. See Appendix C - "SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTIONS - Certain Definitions."

The Local Government Infrastructure Bonds (Subordinate Obligations), 2014 Series A-2 (the "Series 2014A-2 Bonds" and, together with the Series 2014A-1 Bonds, the "Series 2014A Bonds") constitute Subordinated Bonds under the Current Resolution. The Series 2014A-2 Bonds will be ranked on a parity with and will be equally and ratably secured under the Current Resolution with the Prior Subordinated Bonds and any series of Additional Bonds constituting Subordinated Bonds. Subordinated Bonds will not be on a parity with Senior Bonds, equally and ratably secured under the Current Resolution. Subordinated Bonds will be secured under the Current Resolution by a pledge junior and subordinate in all respects to the pledge and security granted to the Senior Bonds issued thereunder.

Under the Current Resolution, all Bonds issued and outstanding thereunder are payable from payments made on Local Obligations by Local Governments. All Local Obligations (regardless of when they were entered into or from what Series of Bonds the Infrastructure Loan was made), and the payments made thereon are pledged to pay debt service on the Series 2014A Bonds, the Prior Bonds and any Additional Bonds issued under the Current Resolution in the future; provided however, that the pledge to pay debt service on Subordinated Bonds is junior and subordinate to the pledge to pay debt service on the Senior Bonds. Therefore, full and timely payment by each Local Government is required to provide sufficient Revenues with which to make payments on the Senior Bonds and any Subordinated Bonds issued and outstanding under the Current Resolution.

Financial Information of Local Governments

Each County, Municipality, and taxing district in the State is required (i) to maintain the uniform system of financial reports ("Uniform Financial Reports") provided by the State's Department of Legislative Services; (ii) pursuant to Article 19, §40 of the Annotated Code of Maryland, to have its books, accounts, records and reports examined at least once each fiscal year by a certified public accountant and to file a copy of the audit report with the Legislative Auditor, and (iii) pursuant to Article 19, §37 of the Annotated Code of Maryland, to file with the State Department of Legislative Services not later than November 1 of each year the Uniform Financial Report (Forms F-65(MD-2) or F-65(MD-2A)) for the fiscal year ending on the immediately preceding June 30. The State Department of Legislative Services extracts information from the Uniform Financial Reports and publishes such information annually in a report to the Governor and General Assembly of Maryland.

The Uniform Financial Reports and the annual report of the Department of Legislative Services are available for public inspection in the offices of the Department of Legislative Services, 90 State Circle, Annapolis, Maryland. Copies of the Uniform Financial Reports or the annual report of the Department of Legislative Services may be obtained by writing to the State Department of Legislative Services, 90 State Circle, Room 226, Annapolis, Maryland 21401, or by calling (410) 841-3761.

Local Government Information and Infrastructure Loans Financed by Series 2014A Bonds

The following information on each Local Government which will receive an Infrastructure Loan from the proceeds of the Series 2014A Bonds, combines data extracted from the Uniform Financial Reports and data submitted by each Local Government. This information has been certified by each Local Government as to its accuracy. This information does not represent all of the information contained in the Uniform Financial Reports, which are available as noted in the preceding paragraph. The Administration has not verified the information on the following pages and makes no representation as to the accuracy or completeness thereof or the financial condition of any Local Government, County, or Municipality described in this Appendix.

List of Participating Local Governments and their Obligations

This section provides information concerning the Local Governments which are expected to receive Infrastructure Loans from the proceeds of the Series 2014 A Bonds.

Infrastructure loans expected to be financed with a portion of the proceeds of the Series 2014 A Bonds

Local Government	Location by County	Loan Amount Requested ($) [1]	Loan Term (in years)	Purpose
Charlestown	Cecil	$125,000.00	20	Shoreline protection improvements
Cumberland	Allegany	$1,461,417.00	10	Vehicle, equipment, and information systems
		$915,000.00	15	Ambulance, ERP System, Vacuum truck
		$5,143,583.00	20	Facility, street, water and sewer system improvements
Myersville	Frederick	$500,000.00	10	Street improvements
North East	Cecil	$2,000,000.00	20	Road way improvements
St. Mary's Metropolitan Commission	St. Mary's	$21,936,008.00	20	Water and sewer system improvements
Taneytown	Carroll	$6,312,447.41	18	Redeem 2008 bank loan
		$820,999.83	20	Wastewater treatment plant upgrade
	Total:	$39,214,455.24		

Notes:

[1] With the exception of Cumberland, the Loan Amount Requested excludes issuance costs paid by the Local Government.

TOWN OF CHARLESTOWN			
POPULATION (2010 Census):	1,183		
YEAR	**2013**	**2012**	**2011**
ASSESSED VALUE OF TAXABLE PROPERTY:	$122,457,723	$117,583,207	$130,006,104
Summary of General Fund, Year Ended June 30, ____			
	2013	**2012**	**2011**
REVENUES			
Property taxes	$389,062	$378,755	$361,719
Income taxes	$81,015	$84,900	$79,073
Other local taxes	$1,415	$754	$809
Licenses & permits	$38,907	$34,558	$26,525
Intergovernmental	$40,083	$142,037	$83,417
Grants	-	$3,291	-
Micellaneous	$37,043	$32,745	$28,653
Total Revenues:	$587,525	$677,040	$580,196
EXPENDITURES			
General government	$363,577	$446,466	$561,897
Public Safety	$49,882	$75,653	$67,330
Parks & recreation	$23,847	$27,101	$29,860
Capital Outlay	$140,585	$110,326	$61,101
Debt service	$9,049	$8,184	-
Total Expenditures:	$586,940	$667,730	$720,188
ASSETS:			
Cash and cash equivalents	$305,928	$349,337	$387,419
Interfund receivables	$412,434	$362,483	$288,714
Accounts receivable	$5,701	$4,641	$9,153
Property taxes receivable	$6,099	$6,940	$11,075
Due from other governments	$1,304	$7,505	$28,685
Prepaid expenses	$ 7,181	$ 7,648	
Total Assets	$ 738,647	$ 738,554	$ 725,046
LIABILITIES:			
Accounts payable and accrued expenses	$20,058	$20,550	$16,352
Due to other funds	$196,010	$196,010	$196,010
Total Liabilities	$ 216,068	$ 216,560	$ 212,362

TOWN OF CHARLESTOWN

	Year Ended June 30, ____		
	2013	**2012**	**2011**
LONG-TERM LIABILITIES:			
Governmental activities	$ 228,090	$ 134,674	$ 139,870
Business-type activities	$ 729,039	$ 765,483	$ 773,022
Total L-T Liabilities	$ 957,129	$ 900,157	$ 912,892

Property Taxes and Taxes Receivable: Real Property

	Total assessed Value of Real Property	General tax rate/$100	Actual Tax Levy	Amount Collected
2013	$ 120,613,890	$ 0.31	$ 378,607	$ 372,508
2012	$ 132,406,453	$ 0.28	$ 370,738	$ 363,798
2011	$ 124,142,942	$ 0.28	$ 347,600	$ 347,550
2010	$ 115,142,143	$ 0.28	$ 322,398	$ 315,837
2009	$ 107,160,000	$ 0.28	$ 300,048	$ 298,925

Property Taxes and Taxes Receivable: Personal Property

	Total assessed Value of Personal Property	General tax rate/$100	Actual Tax Levy	Amount Collected
2013	$ 1,016,010	$ 0.80	$ 8,128	$ 8,128
2012	$ 850,130	$ 0.80	$ 6,801	$ 6,801
2011	$ 1,335,099	$ 0.80	$ 10,681	$ 10,681
2010	$ 1,231,625	$ 0.80	$ 9,853	$ 8,076
2009	$ 947,875	$ 0.80	$ 7,583	$ 7,574

TOWN OF CHARLESTOWN

State-aid Intercept Pledge : Analysis

Jurisdiction	**Available funds received (Period : CY-2012)**	**Available funds received (Period : CY-2013)**	**Average of funds received (Period : CY-2006 thru CY-2013)**	**Maximum Annual Debt Service (MADS) on pledged indebtedness [1]**
TOWN OF CHARLESTOWN	$104,569	$128,249	$201,228	$90,798

[1] Total of all known debt with a State-aid Intercept Pledge associated with it. Includes proposed debt.

CITY OF CUMBERLAND			
POPULATION (2010 Census):	20,859		
YEAR	**2013**	**2012**	**2011**
ASSESSED VALUE OF TAXABLE PROPERTY:	$859,192,850	$844,796,646	$839,310,545

Summary of General Fund, Year Ended June 30,

	2013	2012	2011
REVENUES:			
Taxes	10,585,611	$10,661,724	$11,381,855
Licenses & permits	136,179	$184,514	$233,486
Intergovernmental	2,922,307	$3,424,259	$2,461,314
Charges for services	1,371,488	$1,679,527	$1,563,396
Fines and forfeitures	1,785	$1,080	$391
Interest	3,780	$4,311	$3,316
Miscellaneous	482,101	$644,533	$473,412
Total Revenues	$ 15,503,251	$ 16,599,948	$ 16,117,170
EXPENDITURES:			
General government	1,500,054	$1,399,505	$1,563,124
Public safety	10,130,974	$10,150,978	$10,223,471
Public works	2,421,606	$2,692,508	$2,392,914
Recreation	804,246	$786,257	$888,296
Community development and housing	504,871	$490,949	$503,083
Capital Outlay		$ -	$82,500
Debt Service:			
Principal	409,378	$537,321	$814,737
Interest	409,392	$434,667	$505,787
Bond issue costs		$141,397	-
Total Expenditures	$ 16,180,521	$ 16,633,582	$ 16,973,912
ASSETS:			
Cash & cash equivalents	315,961	$18,631	$51,351
Investments	57,090	$57,018	$52,188
Taxes receivable	2,050,469	$1,750,982	$1,093,559
Accounts receivable	346,935	$311,546	$494,443
Due from other governments	500,540	$705,121	$437,773
Interfund receivables	556,765	$391,749	$296,071
Prepaid expenses	1,762,468	$2,210,780	$1,620,325
Inventory	17,034	$15,025	$11,265
Restricted cash	478,062	$442,512	$536,644
Restricted investments	26,486	$64,420	$96,031
Loan and notes receivable		$ -	$ -
Total Assets	$ 6,111,810	$ 5,967,784	$ 4,689,650

CITY OF CUMBERLAND

Summary of General Fund, Year Ended June 30,

	2013	2012	2011
LIABILITIES:			
Accounts payable	336,147	$278,628	$1,083,433
Accrued wages	166,327	$173,966	$136,194
Interfund payables	1,199,639	$1,990,483	$1,653,419
Unearned revenues - other	8,238	$1,595,348	$1,172,692
Deposits payable	41,103	$38,041	$23,236
Total Liabilities	$ 1,751,454	$ 4,076,466	$ 4,068,974
FUND BALANCES:			
Reserved for restrictions	$475,607	$527,991	$595,203
Reserved for long-term assets	$1,779,502	$2,225,805	$1,631,590
Reserved for inventories	$0	$ -	$ -
Reserved for prepaids	$0	$ -	$ -
Reserved for encumbrances	$0	$ -	$ -
Undesignated/Unassigned	$438,716	($862,478)	($1,606,117)

	2013	2012	2011
LONG-TERM LIABILITIES:			
Governmental activities	17,723,308	$ 18,615,378	$ 19,202,217
Business-type activities	33,399,832	$ 32,930,048	$ 33,426,545
Total L-T Liabilities	$ 51,123,140	$ 51,545,426	$ 52,628,762

Property Taxes and Taxes Receivable: Real Property

	Total assessed Value of Real Property	General tax rate/$100	Actual Tax Levy	Amount Collected
2013	$837,573,545	0.009654	10,137,308	$8,943,020
2012	$885,953,180	0.009654	10,549,106	$9,409,920
2011	839,310,545	0.009654	10,221,915	9,672,280
2010	786,812,202	0.009654	9,765,311	9,482,985
2009	721,894,655	0.009654	8,940,621	8,919,468

Property Taxes and Taxes Receivable: Personal Property

	Total assessed Value of Personal Property	General tax rate/$100	Actual Tax Levy	Amount Collected
2013	$41,642,340	0.0265	$1,103,522	$817,752
2012	46,108,988	0.0265	$1,220,966	$1,142,514
2011	41,254,880	0.0265	$1,092,429	$839,095
2010	43,057,228	0.0265	$1,140,155	$1,053,379
2009	39,056,315	0.0265	$1,034,211	$1,021,157

CITY OF CUMBERLAND

Property Taxes and Taxes Receivable: Railroads & Public Utilities Property

	Total assessed Value of Railroads & Public Utilities Property	General tax rate/$100	Actual Tax Levy	Amount Collected
2013	$35,630,660	0.0265	$944,212	$944,212
2012	$43,186,620	0.0265	$1,144,445	$1,144,445
2011	$33,803,640	0.0265	$895,796	$895,796
2010	$34,788,640	0.0265	$921,203	$921,203
2009	$38,538,100	0.0265	$1,020,489	$1,020,489

State-aid Intercept Pledge : Analysis

Jurisdiction	Available funds received (Period : CY-2012)	Available funds received (Period : CY-2013)	Average of funds received (CY-2006 thru CY-2013)	Maximum Annual Debt Service (MADS) on pledged indebtedness [1]
City of Cumberland	$3,347,835	$4,140,417	$5,238,254	$2,943,287

[1] Total of all known debt with a State-aid Intercept Pledge associated with it. Includes proposed debt.

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TOWN OF MYERSVILLE			
POPULATION (2010 Census):	1,627		
YEAR	**2013**	**2012**	**2011**
ASSESSED VALUE OF TAXABLE PROPERTY:	$149,052,439	$148,039,356	$163,789,109
	Summary of General Fund, Year Ended June 30, ____		
	2013	**2012**	**2011**
REVENUES			
Local taxes	$602,956	$462,796	$455,181
State shared taxes	$391,503	$233,053	$333,029
County shared taxes	$139	$107,946	$107,946
Licenses and permits	$1,448	$2,362	$1,837
Other revenues	$135,795	$166,421	$162,622
Total Revenues:	$1,131,841	$972,578	$1,060,615
EXPENDITURES			
General government	$551,677	$526,007	$415,800
Public Safety	$121,280	$112,332	$104,909
Parks & recreation	$22,995	$11,447	$22,439
Public services	$154,638	$133,227	$173,696
Capital Outlay	$147,266	$120,195	$160,459
Debt service	$3,752,569	$274,637	$282,883
Total Expenditures:	$4,750,425	$1,177,845	$1,160,186
ASSETS:			
Cash and cash equivalents	$1,449,509	$214,962	$262,007
Receivables	$458	$2,981	$1,441
Due from other governments	$3,687	$13,951	$81,170
Due from other funds	$72,810	$79,109	$73,890
Other assets	$2,846,564	$2,793,750	$2,769,940
Total Assets	$ 4,373,028	$ 3,104,753	$ 3,188,448
LIABILITIES:			
Accounts payable and accrued expenses	$346,316	$193,065	$71,397
Deferred revenue	$8	$8	$104
Total Liabilities	$ 346,324	$ 193,073	$ 71,501

TOWN OF MYERSVILLE CONT.			
	2013	**2012**	**2011**
FUND BALANCES:			
Nonspendable	$1,763	$1,645	$2,807
Committed	$2,641,390	$2,685,400	$2,764,400
Unreserved / unassigned	$1,383,551	$224,635	$349,740
Total fund balances	$4,026,704	$2,911,680	$3,116,947

Year Ended June 30, ____

	2013	**2012**	**2011**
LONG-TERM LIABILITIES:			
Governmental activities	$ 4,628,500	$ 3,414,898	$ 3,526,124
Business-type activities	$ 639,212	$ 736,394	$ 831,088
Total L-T Liabilities	$ 5,267,712	$ 4,151,292	$ 4,357,212

Property Taxes and Taxes Receivable: Real Property

	Total assessed Value of Real Property	General tax rate/$100	Actual Tax Levy	Amount Collected
2013	$ 148,680,769	$ 0.39	$ 579,855	$ 579,855
2012	$ 160,837,591	$ 0.27	$ 440,695	$ 440,695
2011	$ 158,586,862	$ 0.27	$ 434,528	$ 434,366
2010	$ 152,351,095	$ 0.27	$ 417,442	$ 417,442
2009	$ 145,508,030	$ 0.27	$ 398,692	$ 398,692

Property Taxes and Taxes Receivable: Railroads and Public Utilities

	Total assessed Value of Personal Property	General tax rate/$100	Actual Tax Levy	Amount Collected
2013	$ 2,291,695	$ 0.59	$ 13,521	$ 13,521
2012	$ 2,065,084	$ 0.59	$ 12,184	$ 12,184
2011	$ 2,127,289	$ 0.59	$ 12,551	$ 12,551
2010	$ 1,712,881	$ 0.59	$ 10,106	$ 10,106
2009	$ 1,773,390	$ 0.59	$ 10,463	$ 10,463

TOWN OF MYERSVILLE

State-aid Intercept Pledge : Analysis

Jurisdiction	Available funds received (Period : CY-2012)	Available funds received (Period : CY-2013)	Average of funds received (Period : CY-2009 thru CY-2013)	Maximum Annual Debt Service (MADS) on pledged indebtedness [1]
TOWN OF MYERSVILLE	$253,919	$300,809	$245,564	$185,188

[1] Total of all known debt with a State-aid Intercept Pledge associated with it. Includes proposed debt.

TOWN OF NORTH EAST

POPULATION (2010 Census): 3,572

YEAR	**2013**	**2012**	**2011**
ASSESSED VALUE OF TAXABLE PROPERTY:	$298,191,998	$290,325,547	$349,548,606

Summary of General Fund, Year Ended June 30, ____

	2013	**2012**	**2011**
REVENUES			
Taxes	$1,859,747	$2,009,525	$1,946,901
Licenses & permits	$54,851	$47,307	$45,977
Intergovernmental	$283,531	$298,385	$260,512
Charges for services	$189,505	$179,181	$226,166
Fines and forfeitures	$775	$1,480	$1,170
Micellaneous	$106,007	$97,537	$121,617
Total Revenues:	$2,494,416	$2,633,415	$2,602,343
EXPENDITURES			
General government	$401,442	$402,090	$403,372
Public Safety	$1,134,734	$1,057,166	$1,056,986
Public works	$687,843	$671,037	$683,146
Health	$960	$840	$240
Recreation and culture	$12,580	$12,045	$15,318
Debt service	$100,995	$101,113	$100,935
Total Expenditures:	$2,338,554	$2,244,291	$2,259,997
ASSETS:			
Cash and cash equivalents	$5,018,747	$419,705	$153,870
Restricted cash	$249,061	$256,447	$260,708
Investments	-	$4,480,231	$4,374,538
Receivables	$304,478	$326,227	$304,659
Due from other governments	$57,895	-	-
Due from proprietary fund		$811	$146,485
Prepaid expenses	$ 36,091	$ 33,972	$ 35,169
Total Assets	$ 5,666,272	$ 5,517,393	$ 5,275,429
LIABILITIES:			
Accounts payable	$30,612	$16,889	$183,212
Accrued expenses	$51,201	$37,334	$41,097
Deferred revenue		$27,187	
Deposits	$249,061	$256,447	$260,708
Total Liabilities	$ 330,874	$ 337,857	$ 485,017

TOWN OF NORTH EAST CONT.

	2013	2012	2011
FUND BALANCES:			
Nonspendable	$ 286,091	$ 283,793	$ 285,169
Restricted	$ 49,833	$ 40,432	$ 43,969
Committed	$ 489,980	$ 492,910	$ 380,610
Unreserved / unassigned	$4,509,494	$4,362,401	$4,080,664
Total fund balances	$5,335,398	$5,179,536	$4,790,412

Year Ended June 30, ____

	2013	2012	2011
LONG-TERM LIABILITIES:			
Governmental activities	$ 70,848	$ 166,614	$ 258,351
Business-type activities	$ 16,892,711	$ 17,702,333	$ 18,505,379
Total L-T Liabilities	$ 16,963,559	$ 17,868,947	$ 18,763,730

Property Taxes and Taxes Receivable: Real Property

	Total assessed Value of Real Property	General tax rate/$100	Actual Tax Levy	Amount Collected
2013	$ 294,274,162	$ 0.48	$ 1,412,034	$ 1,399,639
2012	$ 353,042,525	$ 0.48	$ 1,670,210	$ 1,649,932
2011	$ 331,824,726	$ 0.48	$ 1,591,332	$ 1,573,295
2010	$ 307,402,719	$ 0.48	$ 1,463,050	$ 1,451,218
2009	$ 286,343,603	$ 0.48	$ 1,362,057	$ 1,353,953

Property Taxes and Taxes Receivable: Railroads and Public Utilities

	Total assessed Value of Personal Property	General tax rate/$100	Actual Tax Levy	Amount Collected
2013	$ 4,467,900	$ 0.12	$ 53,615	$ 53,615
2012	$ 4,172,730	$ 0.12	$ 50,073	$ 50,043
2011	$ 4,235,100	$ 0.12	$ 50,821	$ 49,662
2010	$ 4,521,810	$ 0.12	$ 54,262	$ 54,262
2009	$ 4,639,290	$ 0.12	$ 55,671	$ 55,671

TOWN OF NORTH EAST				
State-aid Intercept Pledge : Analysis				
Jurisdiction	**Available funds received (Period : CY-2012)**	**Available funds received (Period : CY-2013)**	**Average of funds received (Period : CY-2009 thru CY-2013)**	**Maximum Annual Debt Service (MADS) on pledged indebtedness [1]**
TOWN OF NORTH EAST	$416,074	$463,547	$644,332	$1,191,571

[1] Total of all known debt with a State-aid Intercept Pledge associated with it. Includes proposed debt.

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ST. MARY'S COUNTY

POPULATION (2010 Census): 105,151

YEAR	**2013**	**2012**	**2011**
ASSESSED VALUE OF TAXABLE PROPERTY:	$11,264,525,685	$11,091,836,083	$12,925,229,453

Summary of General Fund, Year Ended June 30, ____

	2013	**2012**	**2011**
REVENUES:			
Taxes	$ 185,199,950	$ 183,028,247	$ 178,589,668
Highway user revenues	$ 683,079	$ 372,661	$ 514,215
Licenses & permits	$ 1,497,437	$ 1,498,956	$ 1,420,474
Intergovernmental	$ 9,581,499	$ 12,421,869	$ 9,789,008
Charges for services	$ 3,519,566	$ 4,955,917	$ 4,963,134
Fines and forfeitures	$ 227,571	$ 185,070	$ 320,983
Other revenues	$ 273,236	$ 202,216	$ 226,938
Pass-throughs	$ -	$ 136,859	$ 206,490
Total Revenues	$ 200,982,338	$ 202,801,795	$ 196,030,910
EXPENDITURES:			
General government	$ 19,559,509	$ 19,234,482	$ 19,663,295
Public safety	$ 44,072,846	$ 36,536,138	$ 34,283,219
Public works	$ 8,401,057	$ 7,743,653	$ 7,738,601
Health	$ 6,495,400	$ 6,374,143	$ 5,906,320
Social services	$ 3,826,738	$ 3,903,105	$ 4,271,008
Primary and secondary education	$ 87,616,703	$ 78,938,358	$ 78,007,943
Post-secondary education	$ 3,781,289	$ 3,647,430	$ 3,529,505
Parks, recreation, and culture	$ 3,680,293	$ 3,489,742	$ 3,739,943
Libraries	$ 2,404,204	$ 2,281,038	$ 2,281,038
Conservation of natural resources	$ 399,618	$ 372,923	$ 378,528
Housing	$ 1,100,256	$ 946,677	$ 1,073,581
Economic development	$ 1,570,887	$ 1,547,966	$ 1,732,284
Debt service (P & I)	$ 10,884,872	$ 11,619,482	$ 12,721,711
Other	$ 7,422,174	$ 6,747,317	$ 5,123,093
Pass-throughs	$ -	$ 136,859	$ 206,490
Total Expenditures	$ 201,215,846	$ 183,519,313	$ 180,656,559

ST. MARY'S COUNTY Cont.

	2013	2012	2011
ASSETS:			
Cash & cash equivalents	$ 94,724,233	$ 93,639,182	$ 80,789,569
Taxes receivable	$ 3,602,765	$ 3,179,771	$ 3,989,745
Income tax reserve	$ 3,261,805	$ 9,666,086	$ 13,566,071
Accounts receivable	$ 11,309,714	$ 15,605,041	$ 10,004,158
Inventory	$ 921,024	$ 786,922	$ 823,119
Other	$ 390,376	$ 368,721	$ 981,562
Due from fiduciary fund	$ 51,975	$ -	$ -
Total Assets	$ 114,261,892	$ 123,245,723	$ 110,154,224

Year Ended June 30, ____

	2013	2012	2011
LIABILITIES:			
Accounts payable	$ 2,649,850	$ 6,206,295	$ 1,892,769
Compensated-related liabilities	$ 6,988,442	$ 6,951,592	$ 7,768,195
Deferred income tax distribution	$ 3,261,805	$ 9,666,086	$ 13,566,071
Unearned revenue	$ 202,375	$ 177,061	$ 251,589
Other liabilities	$ 4,767,183	$ 4,567,602	$ 5,561,910
Due to other funds	$ 42,019,665	$ 35,430,686	$ 34,405,472
Due to other governments	$ 194,554	$ 198,154	$ 198,904
Total Liabilities	$ 60,083,874	$ 63,197,476	$ 63,644,910
FUND BALANCES:			
Undesignated/Unassigned	$ 23,487,185	$ 24,897,353	$ 30,156,455

	2013	2012	2011
LONG-TERM LIABILITIES:			
Governmental activities	$ 100,573,982	$ 112,537,989	$ 121,577,277
Business-type activities	$ 601,514	$ 1,347,970	$ 1,492,238
Total L-T Liabilities	$ 101,175,496	$ 113,885,959	$ 123,069,515

Property Taxes and Taxes Receivable: Real Property

	Total assessed Value of Real Property	General tax rate/$100	Actual Tax Levy	Amount Collected
2013	$11,165,511,319	0.857	$95,688,432	$92,937,512
2012	$11,146,118,320	0.857	$95,522,234	$93,250,697
2011	$11,099,978,764	0.857	$94,764,053	$91,727,350
2010	$10,409,986,115	0.857	$88,735,661	$84,899,175
2009	$9,519,657,176	0.857	$81,127,162	$78,397,442

ST. MARY'S COUNTY Cont.

Property Taxes and Taxes Receivable: Personal Property

	Total assessed Value of Personal Property	General tax rate/$100	Actual Tax Levy	Amount Collected
2013	$6,741,377	2.1425	$144,434	$144,434
2012	$7,261,470	2.1425	$155,577	$155,577
2011	$5,214,049	2.1425	$111,711	$111,711
2010	$6,013,816	2.1425	$128,846	$107,514
2009	$6,595,846	2.1425	$141,316	$124,555

Property Taxes and Taxes Receivable: Railroads & Public Utilities Property

	Total assessed Value of Railroads & Public Utilities Property	General tax rate/$100	Actual Tax Levy	Amount Collected
2013	$108,240,840	2.1425	$2,319,060	$2,319,060
2012	$105,237,293	2.1425	$2,254,709	$2,254,709
2011	$108,995,379	2.1425	$2,335,226	$2,335,226
2010	$111,526,908	2.1425	$2,389,464	$2,389,464
2009	$120,431,832	2.1425	$2,580,252	$2,580,252

ST. MARY'S COUNTY

State-aid Intercept Pledge : Analysis

Jurisdiction	Available funds received (Period : CY-2012)	Available funds received (Period : CY-2013)	Average of funds received (Period : CY-2006 thru CY-2013)	Maximum Annual Debt Service (MADS) on pledged indebtedness [1]
St. Mary's County	$95,295,585	$98,350,558	$92,119,044	$8,972,061

[1] Total of all known debt with a State-aid Intercept Pledge associated with it. Includes proposed debt.

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CITY OF TANEYTOWN

POPULATION (2010 Census):	6,728		
YEAR	**2013**	**2012**	**2011**
ASSESSED VALUE OF TAXABLE PROPERTY:	$534,077,918	$527,319,336	$610,209,677

Summary of General Fund, Year Ended June 30, ____

	2013	**2012**	**2011**
REVENUES			
Local property taxes	$2,106,566	$2,096,924	$2,065,210
Local income taxes	$497,660	$490,189	$453,951
Other local taxes	$6,164	$6,753	$5,263
Licenses and permits	$89,178	$79,943	$79,044
Intergovernmental	$481,780	$607,544	$501,566
Service charges	$66,376	$33,947	$31,967
Fines and forfeitures	$18,898	$26,000	$5,135
Micellaneous	$18,003	$17,486	$22,469
Total Revenues:	$3,284,625	$3,358,786	$3,164,605
EXPENDITURES			
General government	$533,282	$598,352	$572,186
Public Safety	$1,277,928	$1,283,423	$1,252,234
Plublic works	$884,298	$1,521,289	$897,682
Recreation and culture	$227,941	$210,585	$380,380
Economic development	$82,801	$91,755	$84,127
Debt service	$113,122	$1,716,937	$161,366
Total Expenditures:	$3,119,372	$5,422,341	$3,347,975
ASSETS:			
Cash and cash equivalents	$5,607,631	$4,497,663	$4,676,497
Restricted cash	$72,489	$72,755	$72,458
Investments	-	$1,006,008	$1,000,000
Receivables	$116,528	$124,146	$104,313
Due from other governments	$11,708	$17,522	$4,472
Total Assets	$ 5,808,356	$ 5,718,094	$ 5,857,740
LIABILITIES:			
Accounts payable	$108,474	$189,546	$103,242
Accrued liabilities	$27,642	$21,061	$13,081
Developer deposits	$71,344	$71,844	$71,844
Total Liabilities	$ 207,460	$ 282,451	$ 188,167

CITY OF TANEYTOWN CONT.

	2013	2012	2011
FUND BALANCES:			
Nonspendable	-	-	-
Restricted	-	-	$ 550,887
Committed	$ 661,000	-	-
Assigned	-	$ 50,000	$ 32,100
Unreserved / unassigned	$4,939,896	$5,385,643	$5,086,586
Total fund balances	$5,600,896	$5,435,643	$5,669,573

Year Ended June 30, ____

	2013	2012	2011
LONG-TERM LIABILITIES:			
Governmental activities	$ 1,920,221	$ 1,981,429	$ 1,908,265
Business-type activities	$ 14,712,490	$ 14,738,507	$ 15,753,235
Total L-T Liabilities	$ 16,632,711	$ 16,719,936	$ 17,661,500

Property Taxes and Taxes Receivable: Real Property

	Total assessed Value of Real Property	General tax rate/$100	Actual Tax Levy	Amount Collected
2013	$ 535,301,821	$ 0.37	$ 1,980,617	$ 1,952,723
2012	$ 614,315,600	$ 0.32	$ 1,965,810	$ 1,934,146
2011	$ 605,356,904	$ 0.32	$ 1,937,142	$ 1,909,789
2010	$ 595,518,270	$ 0.32	$ 1,905,658	$ 1,889,102
2009	$ 645,550,750	$ 0.32	$ 2,065,762	$ 2,061,113

Property Taxes and Taxes Receivable: Personal Property

	Total assessed Value of Personal Property	General tax rate/$100	Actual Tax Levy	Amount Collected
2013	$ 10,979,740	$ 0.80	$ 87,838	$ 42,649
2012	$ 8,482,690	$ 0.80	$ 67,862	$ 24,515
2011	$ 9,372,340	$ 0.80	$ 74,979	$ 41,901
2010	$ 10,497,140	$ 0.78	$ 81,878	$ 49,746
2009	$ 8,737,750	$ 0.78	$ 68,154	$ 68,154

Property Taxes and Taxes Receivable: Railroads & Public Utilities

	Total assessed Value of Personal Property	General tax rate/$100	Actual Tax Levy	Amount Collected
2013	$ 4,495,470	$ 0.80	$ 35,964	$ 35,964
2012	$ 4,367,610	$ 0.80	$ 34,941	$ 34,941
2011	$ 4,354,800	$ 0.80	$ 34,838	$ 34,838
2010	$ 4,427,380	$ 0.80	$ 34,534	$ 34,534
2009	$ 5,023,840	$ 0.80	$ 39,186	$ 39,186

CITY OF TANEYTOWN

State-aid Intercept Pledge : Analysis

Jurisdiction	Available funds received (Period : CY-2012)	Available funds received (Period : CY-2013)	Average of funds received (Period : CY-2009 thru CY-2013)	Maximum Annual Debt Service (MADS) on pledged indebtedness [1]
CITY OF TANEYTOWN	$644,853	$1,114,883	$886,558	$1,399,391

[1] Total of all known debt with a State-aid Intercept Pledge associated with it. Includes proposed debt.

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Infrastructure Loans Financed With Proceeds of Prior Series of Bonds under the Current Resolution

This Appendix provides information concerning the Local Governments which received Infrastructure Loans from the proceeds of the Series of Bonds previously issued under the Current Resolution.

Financial information concerning Local Governments which received Infrastructure Loans financed with proceeds of prior Series of Bonds is contained in the Annual Information provided by the Administration with respect to the Bonds under SEC Rule 15c2-12. The most recent Annual Information for the fiscal year ended June 30, 2013 was filed on March 31, 2014. The annual audited financial statements of the Administration's Local Government Infrastructure Bonds secured by the Current Resolution for the years ended June 30, 2013 and 2012 are available in Appendix E of this Official Statement. Copies of these reports may be obtained from Investor Relations for the Administration: Telephone: (410) 514-7326; Fax: (410) 514-7431; Email: cda_bonds@mdhousing.org.

[The chart of information for Prior Series of Bonds begins on the following page.]

Local Government Infrastructure Program Indenture (2010-Present)

Infrastructure Loans Financed with the Proceeds of the Bonds

(Outstanding Loans as of June 30, 2014)

Local Government	Location by County	Series of Bonds	Amount of Loan ($)	Remaining Loan Term (in years)	Purpose	Loan as % of Indenture Debt
Aberdeen	Harford	2010A	$4,288,200	16	Water capital purchase	5.837%
Berlin	Worcester	2012A	$633,500	4	Refinance LGIF [1] 1998 Series B Loan	
			$466,000	7	Refinance LGIF [1] 1998 Series B Loan	5.472%
			$1,629,300	14	Refinance LGIF [1] 1998 Series B Loan	
			$1,291,000	15	Refinance LGIF [1] 1999 Series A Loan	
Centreville	Queen Anne's	2012A	$2,355,400	18	Street and water distribution improvements, Refinance bank loan	3.206%
Charlestown	Cecil	2012A	$627,700	15	Refinance LGIF [1] 1999 Series A Loan	0.984%
			$95,100	18	Drainage and water basin installation	
Chesapeake Beach	Calvert	2010A	$1,824,800	16	Water storage tank and production	2.484%
Chestertown	Kent	2012A	$1,885,000	18	Purchase marina property	2.566%
Cumberland	Allegany	2012B	$1,387,400	18	Capital improvements	1.889%
Federalsburg	Caroline	2013A	$1,123,200	14	Street improvements	1.529%
Hyattsville	Prince George's	2010A	$10,300	<1	As Built Plans for building	4.306%
			$3,153,200	11	Street and sidewalk improvements	
Hyattsville	Prince George's	2012B	$2,198,000	13	Parking meters, parking facilities, field renovations, and road improvements	2.992%
Laurel	Prince George's	2012A	$2,328,500	8	Fleet purchases, pool facility, facility maintenance Street improvements	3.170%

Local Government Infrastructure Program Indenture (2010-Present)

Infrastructure Loans Financed with the Proceeds of the Bonds

(Outstanding Loans as of June 30, 2014)

Local Government	Location by County	Series of Bonds	Amount of Loan ($)	Remaining Loan Term (in years)	Purpose	Loan as % of Indenture Debt
Middletown	Frederick	2010A	$252,000	9	Refinance FHA[2] loan	0.343%
Mount Airy	Carroll /	2012B	$1,523,800	18	Refinance LGIF 2002 Series A Loan	8.729%
	Frederick		$4,888,500	18	Water main replacement, water station	
Oakland	Garrett	2010A	$810,000	6	Community Center and street improvements	2.964%
			$1,367,500	16	Refinance bank loans and USDA[3] loans	
Riverdale Park	Prince George's	2013A	$819,700	14	Road and community center improvements	4.530%
			$2,508,200	29	Community center construction	
St. Mary's Metropolitan Commission	St. Mary's	2010A	$10,619,000	16	Water and sewer system improvements	14.455%
St. Mary's Metropolitan Commission	St. Mary's	2012B	$7,980,400	18	Water and sewer system improvements	10.864%
St. Mary's Metropolitan Commission	St. Mary's	2013A	$15,351,900	19	Water and sewer system improvements	20.898%
Snow Hill	Worcester	2012A	$448,500	6	Refinance LGIF[1] 1998 Series B Loan	0.611%
Somerset County Sanitary Commission	Somerset	2013A	$89,600	7	Refinance USDA[3] loan	0.472%
			$257,400	21	Refinance USDA[3] loan	
Westminster	Carroll	2012B	$1,246,900	8	Refinance LGIF[1] 1998 Series B Loan	1.697%
		Total:	**$73,460,000** [4]			**100.000%**

Notes:
[1] Local Government Infrastructure Finance
[2] Farmer's Home Administration
[3] United States Department of Agriculture
[4] Rounded up to nearest dollar.

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APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTIONS

The following is a brief summary of certain provisions of the Resolutions. It is not a complete recital of the terms of the Resolutions and reference should be made to the Resolutions for a complete statement of their terms.

Certain Definitions

In addition to the terms defined elsewhere in this Official Statement, the following are definitions of certain terms contained in this Official Statement. Terms used but not defined herein shall have the meanings set forth in the Resolutions.

"**Additional Bonds**" means any Bonds, other than the Series 2010A Bonds, issued by the Administration pursuant to the Resolution.

"**Authorized Denomination**" or "**Authorized Denominations**," when used with respect to any Bonds, has the meaning set forth in the Series Resolution under which such Bonds are issued.

"**Authorized Officer**" means the Secretary, the Deputy Secretary of the Department, the Director, any Deputy Director of the Administration and any program director within the Administration and, when used with respect to any act, any other person duly authorized by the regulations of the Administration or by the Secretary to perform such act.

"**Bonds**" means the Prior Bonds, the Series 2014A Bonds and any other Additional Bonds.

"**Cash Flow Certificate**" means a Certificate of the Administration demonstrating that the sum of:

(a) the Revenues scheduled to be derived with respect to all outstanding Infrastructure Loans,

(b) any other amounts payable under outstanding Infrastructure Loans,

(c) interest and other income estimated by the Administration to be derived from the investment or deposit of money available therefor in any fund or account created by or pursuant to the Current Resolution, and

(d) any other moneys or funds pledged to the payments of the Bonds,

will be sufficient to pay the principal of and interest on all Outstanding Bonds.

"**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 financing of Infrastructure Loans.

"**County**" means any of the twenty-three counties of the State or Baltimore City.

"**Current Resolution**" means the Resolution Providing for the issuance of Local Government Infrastructure Bonds adopted by the Administration as of August 1, 2010, as amended and supplemented.

"**Debt Service Reserve Fund**" means, (i) with respect to the Series 2014A-2 Bonds, the 2014A-2 Debt Service Reserve Fund, (ii) with respect to the Series 2013A-2 Bonds, the standalone debt service reserve fund securing such Prior Subordinated Bonds, (iii) with respect to the Series 2010A-2 Bonds, the Series 2012A-2 and the Series 2012B-2 Bonds, the aggregated debt service reserve fund securing such Prior Subordinated Bonds, and (iv) with respect to any Series of Additional Bonds constituting Subordinated Bonds, the debt service reserve fund that secures such Series of Additional Bonds.

"**Debt Service Reserve Fund Requirement**" means, (i) with respect to the Series 2014A-2 Bonds, the 2014A-2 Debt Service Reserve Fund Requirement, (ii) with respect to the Prior Subordinated Bonds, the Prior Debt Service Reserve Fund Requirement established for such Subordinated Bonds and the related Debt Service Reserve Fund under the Current Resolution, and (iii) with respect to any Series of Additional Bonds constituting Subordinated Bonds, the debt service reserve requirement established for such Subordinated Bonds under the Current Resolution, as amended and supplemented by the Series Resolution related thereto.

"**Deputy Director**" means any deputy director of the Administration duly appointed by the Secretary pursuant to the Act.

"**Deputy Secretary**" means any deputy secretary duly appointed by the Secretary pursuant to the Act.

"**Federal Obligations**" means direct obligations of (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 12 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 12 calendar months as shall be established as the fiscal year of the Administration.

"**Interest Payment Date**" means each date on which interest on any Bonds is required to be paid under the Current Resolution and the applicable Series Resolution.

"**Loan Accounts**" means the accounts so designated which may be established pursuant to the Current Resolution.

"**Municipality**" means a municipal corporation in Maryland subject to the provisions of Article XI-E of the Maryland Constitution.

"**Outstanding**" or "**Bonds Outstanding**" means all Bonds which have been delivered under the Current Resolution, except:

(a) Bonds surrendered to the Trustee for cancellation;

(b) Bonds or portions thereof for the payment or redemption of which cash funds or Federal Obligations or any combination thereof shall have been theretofore deposited with the Trustee (whether upon or before the maturity or redemption date of any such Bonds); *provided* that, if such Bonds are to be redeemed before 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 authenticated and delivered under the Current Resolution.

"**Paying Agent**" means any bank or trust company designated pursuant to a Series Resolution to serve as a paying agent or place of payment for Bonds, and any successors designated in accordance with the Current Resolution.

"**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:

(1) Federal Obligations;

(2) bonds, debentures, notes or other evidences of indebtedness issued or guaranteed by any federal agency, instrumentality or public corporation including (without limitation): Farmers Home Administration; General Services Administration; U.S. Maritime Administration; Small Business Administration; Government National Mortgage Association (GNMA); and U.S. Department of Housing & Urban Development;

(3) bonds, notes or other evidences of indebtedness rated in the highest investment grade rating by any Rating Agency issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with remaining maturities not exceeding three years;

(4) U.S. dollar denominated deposit accounts, federal funds and banker's acceptances with domestic commercial banks short term certificates of deposit of which are rated on the date of purchase in one of the two highest rating categories of any Rating Agency maturing no more than 360 days after the date of purchase;

(5) commercial paper which is rated at the time of purchase in the highest rating category of any Rating Agency which matures not more than 270 days after the date of purchase;

(6) pre-refunded municipal obligations consisting of bonds or other obligations of any state of the United States of America or of any agency, instrumentality or political subdivision thereof 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 (A) which are rated in the highest rating category of any nationally recognized rating agency; or (B) which are fully secured as to principal, interest and redemption premium, if any, by a fund consisting only of cash or obligations described in paragraph (1) above, which fund may be applied only to the payment of such principal, interest and redemption premium, if any, on the maturity date thereof, respectively, or the redemption date set forth in such irrevocable instructions, as appropriate, *provided* that the sufficiency of such cash or obligation to provide for such payment shall have been verified by a nationally recognized independent certified public accountant;

(7) repurchase agreements for obligations described in clause (1) or (2) above or investment agreements which are, or are issued or guaranteed by an entity, rated by a Rating Agency in its highest rating category or fully collateralized by obligations described in clause (1) or (2) above (any such collateralized investment agreement being referred to as a "Collateralized Investment Agreement"); *provided* that (i) such obligations shall be delivered to the Trustee or supported by a safekeeping receipt or other confirmatory documentation satisfactory to the Trustee; (ii) the Trustee shall have a perfected security interest in such obligations; (iii) such obligations shall be free and clear of any other liens or encumbrances; and (iv) such repurchase agreements or Collateralized Investment Agreements shall provide that the value of the underlying obligations shall be continuously maintained at a current market value of not less than 102% of the repurchase price or the amount deposited thereunder, as the case may be (the value of such obligations to be determined by the Trustee at least once in each seven day period);

(8) shares in investment companies at least 90% of the assets of which consist of obligations described in clauses (1) through (7) above, including any proprietary mutual fund of the Trustee for which the Trustee or an affiliate is investment advisor or provides other services and receives reasonable compensation for such services; and

(9) Other forms of investments approved in writing by the issuer of a credit facility securing the related series of Senior Bonds or Subordinated Bonds.

“**Pledged Funds**” means any and all revenues, proceeds, payments, rents, charges and other income derived from an Infrastructure Project or any other facilities of a Local Government that are pledged to secure payment of a Local Obligation.

“**Prepayment**” means any money received from a payment of principal on an Infrastructure Loan in excess of the scheduled payments of principal then due on such Infrastructure Loan or from the sale of an Infrastructure Loan pursuant to the Current Resolution.

“**Prior Bonds**” means, collectively, the Series 2010A Bonds, the Series 2012A Bonds, the Series 2012B Bonds and the Series 2013A Bonds.

“**Prior Debt Service Reserve Fund Requirement**” means the amount required to make the amount on deposit in any of the Prior Debt Service Reserve Funds equal the debt service reserve requirement for the Subordinated Bonds secured by such fund.

“**Prior Debt Service Reserve Funds**” means, collectively, (i) the standalone debt service reserve fund previously established under the Current Resolution to secure the Series 2013A-2 Bonds, and (ii) the aggregated debt service reserve fund previously established under the Current Resolution to secure the Series 2010A-2 Bonds, the Series 2012A-2 Bonds and the Series 2012B-2 Bonds.

“**Prior Senior Bonds**” means, collectively, the Series 2010A-1 Bonds, the Series 2012A-1 Bonds, the Series 2012B-1 Bonds and the Series 2013A-1 Bonds.

“**Prior Subordinated Bonds**” means, collectively, the Series 2010A-2 Bonds, the Series 2012A-2 Bonds, the Series 2012B-2 Bonds and the Series 2013A-2 Bonds.

“**Program**” means the Administration’s program of financing of each Infrastructure Loan pursuant to the provisions of the Current Resolution and the Act.

“**Rating Agency**” means Fitch Ratings, Moody’s Investors Service, Inc., Standard & Poor’s Ratings Services or any other nationally recognized statistical rating organization, and their successors and assigns.

“**Redemption Fund**” means the fund so designated which is established by the Current Resolution.

“**Revenue Fund**” means the fund so designated which is established by the Current 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 Infrastructure Loans (whether paid by or on behalf of any Local Government), exclusive of (1) Prepayments, (2) investment income in any funds and accounts established under the Current Resolution, and (3) any financing, commitment or similar fees or charges of the Administration in connection with the financing of an Infrastructure Loan (unless expressly pledged as security for Bonds).

“**Senior Bonds**” means the Prior Senior Bonds, the Series 2014A-1 Bonds and any other obligations issued pursuant to the provisions of the Current Resolution authorizing Senior Bonds.

“**Senior-Subordinated Issue**” means each simultaneous issue of a Series of Senior Bonds and Subordinated Bonds.

"**Serial Bonds**" means Bonds so designated in the Current Resolution or a Series Resolution.

"**Series**" or "**Series of Bonds**" means all Bonds designated as such in the Current Resolution or a Series Resolution authorizing the issuance thereof, regardless of variations in maturity, interest rate or other provisions, and any Bond thereafter delivered in lieu of or in substitution for any of such Bonds.

"**Series 2010A Bonds**" means, together, the Series 2010A-1 Bonds and the Series 2010A-2 Bonds.

"**Series 2010A-1 Bonds**" means the Community Development Administration Maryland Department of Housing and Community Development Local Government Infrastructure Bonds (Senior Obligations), 2010 Series A-1 in the original aggregate principal amount of $19,395,000.

"**Series 2010A-2 Bonds**" means the Community Development Administration Maryland Department of Housing and Community Development Local Government Infrastructure Bonds (Subordinate Obligations), 2010 Series A-2 in the original aggregate principal amount of $8,515,000.

"**Series 2012A Bonds**" means, together, the Series 2012A-1 Bonds and the Series 2012A-2 Bonds.

"**Series 2012A-1 Bonds**" means the Community Development Administration Maryland Department of Housing and Community Development Local Government Infrastructure Bonds (Senior Obligations), 2012 Series A-1 in the original aggregate principal amount of $9,550,000.

"**Series 2012A-2 Bonds**" means the Community Development Administration Maryland Department of Housing and Community Development Local Government Infrastructure Bonds (Subordinate Obligations), 2012 Series A-2 in the original aggregate principal amount of $4,420,000.

"**Series 2012B Bonds**" means, together, the Series 2012B-1 Bonds and the Series 2012B-2 Bonds.

"**Series 2012B-1 Bonds**" means the Community Development Administration Maryland Department of Housing and Community Development Local Government Infrastructure Bonds (Senior Obligations), 2012 Series B-1 in the original aggregate principal amount of $14,900,000.

"**Series 2012B-2 Bonds**" means the Community Development Administration Maryland Department of Housing and Community Development Local Government Infrastructure Bonds (Subordinate Obligations), 2012 Series B-2 in the original aggregate principal amount of $6,855,000.

"**Series 2013A Bonds**" means, together, the Series 2013A-1 Bonds and the Series 2013A-2 Bonds.

"**Series 2013A-1 Bonds**" means the Community Development Administration Maryland Department of Housing and Community Development Local Government Infrastructure Bonds (Senior Obligations), 2013 Series A-1 in the original aggregate principal amount of $14,660,000.

"**Series 2013A-2 Bonds**" means the Community Development Administration Maryland Department of Housing and Community Development Local Government Infrastructure Bonds

(Subordinate Obligations), 2013 Series A-2 in the original aggregate principal amount of $6,720,000.

"**Series 2014A Resolution**" means the Series Resolution authorizing the issuance of the Series 2014A Bonds that will be adopted by the Administration.

"**Series Resolution**" means a resolution and determination of the Administration, with the approval of the Secretary, authorizing the issuance of Bonds.

"**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.

"**Subordinated Bonds**" means the Prior Subordinated Bonds, the Series 2014A-2 Bonds and any other obligations issued pursuant to the provisions of the Current Resolution authorizing Subordinated Bonds.

"**Surplus Fund**" means the fund so designated which is established by the Current Resolution.

"**Supplemental Resolution**" means a resolution of the Administration adopted pursuant to the Current Resolution.

"**Taxable Bonds**" means any Bonds the income from which will be or is intended to be includable in gross income for federal income tax purposes under the Code as determined at the time of issue by the Administration.

"**Tax-Exempt Bonds**" means Bonds with respect to which there shall have been delivered to the Administration an Opinion of Bond Counsel to the effect that the interest on such Bonds will be or is intended to be excludable from gross income for federal income tax purposes under the Code as determined at the time of issue by the Administration.

"**Term Bonds**" means Bonds so designated in the Current Resolution or a Series Resolution.

Additional Obligations

The Administration expressly reserves the right to adopt one or more additional bond or note resolutions and reserves the right to issue bonds, notes or other obligations for any lawful purpose or program so long as they are not secured by a charge or lien prohibited under the Current Resolution.

Temporary Accounts

Each Series Resolution may establish a Capitalized Interest Account to provide funds to be transferred by the Trustee to the Revenue Fund from time to time for the payment of interest to accrue on Bonds.

Each Series Resolution may establish a Cost of Issuance Account to provide funds to be applied by the Trustee to pay the Cost of Issuance of Bonds.

The Trustee shall transfer any remaining balance in any Capitalized Interest Account or Cost of Issuance Account to a Loan Account or to the Revenue Fund as directed in a certificate of the Administration.

Loan Fund and Loan Accounts

Each Series Resolution shall establish a separate Loan Fund to be held by the Trustee, to record the receipt and disbursement of any proceeds of the Bonds authorized under such Series Resolution for the financing of Infrastructure Loans, or for the refinancing of Infrastructure Loans previously financed by the Administration. Within the Loan Fund, the Trustee shall establish a Loan Account for each Infrastructure Loan as shall be directed by the Administration in accordance with such Series Resolution.

The Trustee shall, from time to time, pay out money in each Loan Account held for the purpose of making or purchasing Infrastructure Loans or reimbursing the Administration for payments made by it from other funds for that purpose upon the following terms:

(1) on or before the first disbursement with respect to each Infrastructure Loan, there shall be delivered to the Trustee each of the following:

(a) a Certificate of the Administration (A) identifying such Infrastructure Loan, (B) setting forth the principal amount thereof and the date and amount of each loan payment due under such Infrastructure Loan, (C) if such Infrastructure Loan is to be funded from sources other than proceeds of Bonds, identifying such sources and the amount thereof and (D) including a statement to the effect that such Infrastructure Loan is made in accordance with the provisions of the Current Resolution; and

(b) a Cash Flow Certificate, if either (A) such Infrastructure Loan is to be made or an existing Infrastructure Loan is to be increased from Prepayments of another Infrastructure Loan deposited into the Redemption Fund, or is being made in lieu of an Infrastructure Loan identified in a previous Cash Flow Certificate and (B) the terms of such Infrastructure Loan materially differ from the terms of the Infrastructure Loan which was prepaid or so identified, respectively.

(2) on or before each disbursement with respect to such Infrastructure Loan, a Certificate of the Administration stating:

(a) the Loan Account from which such disbursement is to be made;

(b) the name of the person to, and Infrastructure Loan for, which the payment is to be made;

(c) the amount to be paid and the manner of the payment; and

(d) that the amount then to be disbursed, together with all prior disbursements from such Loan Account and any other funding source for such Infrastructure Loan on account of such Infrastructure Loan, will not exceed in the aggregate the authorized amount of such Infrastructure Loan.

All interest and other income received from the deposit and investment of money in Loan Accounts shall be transferred by the Trustee, as received, to the Revenue Fund.

Upon the direction of the Administration, the Trustee shall (1) transfer amounts in any Loan Account to the Redemption Fund and (2) transfer any part or all of the amounts so transferred to the Loan Account for disbursement.

The Local Government under the provisions of an Infrastructure Loan made or a Local Obligation purchased with proceeds of Bonds constituting Tax-Exempt Bonds shall make tax covenants regarding development costs of the infrastructure project and use of proceeds of the

Local Government Obligation. These covenants may be set forth in the General Certificate or such other certificate to be executed by each Local Government.

The Administration covenants to enforce the provisions of each Infrastructure Loan or accompanying documents required against each Local Government or the agency or instrumentality of the Local Government.

The Administration will not make any Infrastructure Loan or purchase any Local Obligation unless the Administration first receives an opinion of counsel to the Local Government or the agency or instrumentality of the Local Government acceptable to counsel to the Administration to the effect that: (i) the Local Government or the agency or instrumentality of the Local Government has duly authorized the execution and delivery of the Local Obligation, the Repayment Agreement and the Pledge Agreement, and (ii) the Local Government has pledged its full faith and credit or guaranteed the obligation of the agency or instrumentality of the Local Government secured by a pledge of the full faith and credit of the Local Government to the payment of the Local Obligation.

Deposit into Funds and Accounts

The Administration will collect and deposit with the Trustee all Revenues and Prepayments received from Local Governments on the date of receipt or as soon thereafter as practicable. The source of all moneys so deposited shall be identified by the Administration. All such moneys and any other moneys that the Trustee receives on account of any Infrastructure Loan shall be paid as follows:

(1) all Revenues shall be deposited in the Revenue Fund; and

(2) all Prepayments shall be deposited in the Redemption Fund.

Funds and Accounts

Revenue Fund. On or before each Interest Payment Date with respect to any Bonds, each date on which Bonds mature or are to be redeemed and such other date as shall be directed by the Administration, the Trustee shall withdraw moneys in the Revenue Fund and, except as otherwise provided in any Series Resolution pursuant to which such Bonds are issued, apply the amounts withdrawn in the following order of priority:

(1) an amount equal to the unpaid interest due and payable on outstanding Bonds (exclusive of Subordinated Bonds) on such date shall be applied to the payment of such interest, or transmitted to one or more Paying Agents who shall apply such amount to such payment;

(2) an amount equal to the principal amount of such Outstanding Bonds (exclusive of Subordinated Bonds), if any, shall be applied to the payment of such principal or transmitted to one or more Paying Agents who shall apply such amount to such payment on such date, and an amount equal to the Sinking Fund Installment, if any, due on such date shall be applied to the redemption of a like principal amount of Term Bonds redeemed on such date or transmitted to one or more Paying Agents who shall apply such amount to such redemption;

(3) an amount equal to the unpaid interest due and payable on outstanding Bonds constituting Subordinated Bonds on such date shall be applied to the payment of such interest, or transmitted to one or more Paying Agents who shall apply such amount to such payment;

(4) an amount equal to the principal amount of such Outstanding Bonds constituting Subordinated Bonds, if any, shall be applied to the payment of such principal or transmitted to one or more Paying Agents who shall apply such amount to such payment on such date,

and an amount equal to the Sinking Fund Installment, if any, due on such date shall be applied to the redemption of a like principal amount of Term Bonds redeemed on such date or transmitted to one or more Paying Agents who shall apply such amount to such redemption;

(5) any amount necessary to make the amount on deposit in any Debt Service Reserve Fund maintained for any Bonds (exclusive of Subordinated Bonds) equal to the Debt Service Reserve Fund Requirement for such Debt Service Reserve Fund shall be transferred to such Debt Service Reserve Fund;

(6) any amount necessary to make the amount on deposit in any Debt Service Reserve Fund maintained for any Bonds constituting Subordinated Bonds equal to the Debt Service Reserve Fund Requirement for such Debt Service Reserve Fund shall be transferred to such Debt Service Reserve Fund; and

(7) upon the payment of the principal of or the Sinking Fund Installment for Bonds with respect to each Fiscal Year, the remainder shall be paid to the Surplus Fund.

On or before each date on which a Sinking Fund Installment is due, the Trustee shall proceed to select for redemption from all Outstanding Bonds subject to redemption from such Sinking Fund Installment Bonds in principal amount equal to such Sinking Fund Installment, and shall call such Bonds for redemption. Prior to the date on which the Trustee is required to give notice of the redemption of Bonds from a Sinking Fund Installment, the Administration may deliver to the Trustee for cancellation Bonds which are subject to redemption from such Sinking Fund Installment. Each Bond or portion thereof so delivered and any Bonds subject to redemption from a Sinking Fund Installment that are redeemed shall be credited by the Trustee at the principal amount against such Sinking Fund Installments and the principal amount of Bonds to be redeemed from such Sinking Fund Installment shall be accordingly reduced.

Upon the direction of the Administration, the Trustee shall apply moneys in the Revenue Fund held for the payment of any Sinking Fund Installment to the purchase of Outstanding Bonds subject to redemption from such Sinking Fund Installment, and upon such purchase such Bonds shall be canceled and the amount of such Sinking Fund Installment shall thereupon be reduced by the principal amount of such Bonds so purchased and canceled. The price paid by the Trustee (excluding accrued interest, but including any brokerage and other charges) for any Bond purchased shall not exceed 100% of the principal amount thereof, plus interest accrued to the date of such purchase.

The Administration reserves the right to transfer any amount from other legally available funds including (without limitation) proceeds of Refunding Bonds, to the Trustee for deposit to the Revenue Fund in payment and satisfaction of a corresponding amount of the scheduled principal or interest payments due on any Infrastructure Loan or to advance such money to cure or avert a default on any Infrastructure Loan, or to make any payment of principal of and premium, if any, and interest or any Sinking Fund Installment for any Bonds. The Administration shall be entitled to recover from the Local Government any amounts so advanced, together with interest thereon at the rate payable on the Infrastructure Loan, or to enforce its right to such recovery under the Infrastructure Loan.

Debt Service Reserve Fund.

(a) Series 2014A-2 Bonds.

(1) The 2014A-2 Debt Service Reserve Fund created by the Series 2014A Resolution to secure the Series 2014A-2 Bonds shall only secure the Series 2014A-2 Bonds. The 2014A-2 Debt Service Reserve Fund is not pledged to the payment of the outstanding Prior Subordinated Bonds. Amounts on deposit in the 2013A-2 Debt Service Reserve Fund and the

Prior Debt Service Reserve Funds are not available to pay the outstanding Series 2014A-2 Bonds.

(2) If the amount on deposit in the Revenue Fund is insufficient to provide for the payment of the principal of, any Sinking Fund Installment for or any interest on Outstanding Series 2014A-2 Bonds on any date, then the Trustee forthwith shall transfer moneys from the 2014A-2 Debt Service Reserve Fund to the Revenue Fund to the extent necessary to make good any such deficiency.

(3) The Trustee shall determine the value of the assets of the 2014A-2 Debt Service Reserve Fund as of the close of business on each June 1 and December 1, and on any other date upon the Request of the Administration. As promptly as practicable after making such determination, the Trustee shall notify the Administration of the result of such determination and of the amount of any deficiency or surplus determined to exist in the 2014A-2 Debt Service Reserve Fund. Interest earned and profits realized as a result of the investment of amounts on deposit in the 2014A-2 Debt Service Reserve Fund shall be applied as provided in the Resolutions.

(4) In the case of the 2014A-2 Debt Service Reserve Fund:

(i) a “deficiency” shall mean that the value of the assets of the 2014A-2 Debt Service Reserve Fund, determined in accordance with the Series 2014A Resolution is less than the 2014A-2 Debt Service Reserve Fund Requirement for such fund; and

(ii) a “surplus” shall mean that the value of the assets of the 2014A-2 Debt Service Reserve Fund, determined in accordance with the Current Resolution, is in excess of the 2014A-2 Debt Service Reserve Fund Requirement for such fund.

(5) If the amount on deposit in the 2014A-2 Debt Service Reserve Fund exceeds the 2014A-2 Debt Service Reserve Fund Requirement for such fund, then the Trustee shall transfer the amount of the surplus from time to time to such funds and accounts as shall be directed by the Administration.

(6) If the Administration shall determine to provide for the payment of any the Series 2014A-2 Bonds as provided in the Current Resolution, on the date on which such Series 2014A-2 Bonds are deemed to be paid, the amount by which the amount then on deposit in the 2014A-2 Debt Service Reserve Fund exceeds the 2014A-2 Debt Service Reserve Fund Requirement for such fund, taking into account the Series 2014A-2 Bonds then deemed to be paid in accordance with the Current Resolution, then an amount necessary to provide for the payment of the Series 2014A-2 Bonds pursuant to the Current Resolution shall be paid to the escrow deposit agent for such Series 2014A-2 Bonds upon the Order of the Administration.

(b) Prior Subordinated Bonds.

(1) The Prior Debt Service Reserve Funds created by the Current Resolution to secure the Prior Subordinated Bonds shall not secure the Series 2014A-2 Bonds. The Prior Debt Service Reserve Funds are pledged solely to the payment of the outstanding Prior Subordinated Bonds secured thereby and any other Series of Additional Bonds secured thereby.

(2) If the amount on deposit in the Revenue Fund is insufficient to provide for the payment of the principal of, any Sinking Fund Installment for or any interest on Outstanding Prior Subordinated Bonds, and in the case of the aggregated Prior Debt Service Reserve Fund any other series of Additional Bonds secured by such Prior Debt Service Reserve Fund, on any date, then the Trustee forthwith shall transfer moneys from the related Prior Debt Service Reserve Fund to the Revenue Fund to the extent necessary to make good any such deficiency.

(3) The Trustee shall determine the value of the assets of each of the Prior Debt Service Reserve Funds as of the close of business on each June 1 and December 1, and on any other date upon the Request of the Administration. As promptly as practicable after making such determination, the Trustee shall notify the Administration of the result of such determination and of the amount of any deficiency or surplus determined to exist in each of the Prior Debt Service Reserve Funds for which such determination was made. Interest earned and profits realized as a result of the investment of amounts on deposit in any of the Prior Debt Service Reserve Funds shall be applied as provided in the Current Resolution.

(4) In the case of the Prior Debt Service Reserve Funds:

(i) a "deficiency" shall mean that the value of the assets of a Prior Debt Service Reserve Fund, determined in accordance with the Current Resolution is less than the Prior Debt Service Reserve Fund Requirement for such fund; and

(ii) a "surplus" shall mean that the value of the assets of a Prior Debt Service Reserve Fund, determined in accordance with the Current Resolution, is in excess of the Debt Service Reserve Fund Requirement for such fund.

(5) If the amount on deposit in a Prior Debt Service Reserve Fund exceeds the Debt Service Reserve Fund Requirement for such fund, then the Trustee shall transfer the amount of the surplus from time to time to such funds and accounts as shall be directed by the Administration.

(6) If the Administration shall determine to provide for the payment of any Series of the Prior Subordinated Bonds or any series of Additional Bonds secured by a Prior Debt Service Reserve Fund as provided in the Current Resolution, on the date on which such Bonds are deemed to be paid, the amount by which the amount then on deposit in the Prior Debt Service Reserve Fund securing such Bonds exceeds the Debt Service Reserve Fund Requirement for such fund, taking into account the Bonds then deemed to be paid in accordance with the Current Resolution, then an amount necessary to provide for the payment of the Bonds pursuant to the Current Resolution shall be paid to the escrow deposit agent for such Bonds upon the Order of the Administration.

(c) Additional Bonds.

(1) Any Series Resolution authorizing the issuance of Additional Bonds may provide that (i) such Bonds shall be secured by an aggregated Debt Service Reserve Fund, (ii) such Bonds shall not be secured by a Debt Service Reserve Fund, or (iii) such Bonds shall be secured by a separate Debt Service Reserve Fund solely securing such Bonds.

(2) If any Series Resolution authorizing the issuance of Additional Bonds provides that such Bonds shall be secured by a Debt Service Reserve Fund, such Series Resolution shall provide for the deposit in such Debt Service Reserve Fund on the date of issuance of such Bonds of the amount, if any, necessary to make the amount on deposit in such Debt Service Reserve Fund equal to the Debt Service Reserve Fund Requirement for such Debt Service Reserve Fund, after giving effect to the issuance of such Bonds.

(3) If any Series Resolution authorizing the issuance of Additional Bonds provides that such Bonds shall be secured by a Debt Service Reserve Fund established by such Series Resolution, such Series Resolution shall (i) establish the amount of the Debt Service Reserve Fund Requirement for such Debt Service Reserve Fund, and (ii) provide such terms with respect to the valuation of such Debt Service Reserve Fund and the application of any earnings on or surpluses in such Debt Service Reserve Fund as the Administration shall deem appropriate, any other provision of the Current Resolution to the contrary notwithstanding. If a separate Debt

Service Reserve Fund is created for any Bonds, the Debt Service Reserve Fund Requirement and amounts to be deposited to the Debt Service Reserve Fund shall be calculated separately for each Debt Service Reserve Fund.

(4) Any provision of the Current Resolution requiring or permitting the application of amounts in the Debt Service Reserve Fund to the payment of any Bond shall refer to the Bonds secured by such Debt Service Reserve Fund.

(5) Unless the Administration directs otherwise, the Trustee shall transfer Revenues or any other amounts deposited with the Trustee for transfer to each Debt Service Reserve Fund on any date shall be allocated *pro rata* among all Debt Service Reserve Funds on the basis of the respective aggregate principal amounts of the Bonds outstanding secured by such Debt Service Reserve Funds.

Redemption Fund. Prepayments which shall be used and applied, either (1) to provide funds to a Loan Account to finance any Infrastructure Loan, including (without limitation) any additional advances under an existing Infrastructure Loan authorized by the Administration, (2) for the purchase or redemption of Outstanding Bonds, (3) for transfer to the Revenue Fund of amounts included in a Prepayment representing interest on a Infrastructure Loan, or (4) if a sufficient amount of Bonds are not redeemable within such period and cannot be purchased at or below their principal amount or the redemption price applicable on their next ensuing redemption date, then any amount not so applied during said period shall be used and applied for one or more of the purposes authorized in clauses (1), (2) or (3) of this paragraph as soon thereafter as possible; provided that on the first day of each month while any Prepayment or amount transferred from a Loan Account is held in the Redemption Fund, the Trustee shall, unless otherwise directed by the Administration, transfer from the Redemption Fund to the Revenue Fund the scheduled monthly payment of principal of the Infrastructure Loan with respect to which the Prepayment was received or to which the Infrastructure Loan was to be made. Such Prepayments shall be so used and applied within six months after the receipt of such Prepayments, except that such six-month period may be extended if the Administration files with the Trustee a Cash Flow Certificate based upon the estimated investment earnings on such Prepayments, the scheduled Revenues to be received, if any, from any new Infrastructure Loans to be financed or amounts of any Infrastructure Loans to be increased, or upon the redemption of such Bonds.

The Administration may authorize an increase in the amount of any Infrastructure Loan or the financing of a new Infrastructure Loan, as contemplated above, and for such purpose, may appropriate any money at the time available in or transferred to the Redemption Fund, except as provided above, to one or more designated Loan Accounts for disbursement.

Upon receipt of the Certificate of the Administration, the Trustee shall apply money in the Redemption Fund not otherwise applied as indicated above to the purchase or redemption of Bonds designated in the Certificate. Bonds not purchased may be redeemed at a redemption price determined by the Series Resolution. Bonds shall not be purchased pursuant to this paragraph after notice is sent to Bondholders of the redemption of Bonds.

Interest and other income from the investment of amounts in the Redemption Fund shall be transferred by the Trustee to the Revenue Fund upon receipt thereof. Notwithstanding the foregoing sentence, the Administration may transfer moneys held in the Redemption Fund credited to or derived from any Series of Bonds being refunded to any other Series of Bonds, including without limitation, Refunding Bonds (whether or not issued pursuant to the Current Resolution).

Surplus Fund. Subject to the further provisions of the Current Resolution, and subject to the provisions of any Series Resolution, amounts in the Surplus Fund shall be withdrawn by the Trustee from time to time upon the Order of the Administration and paid as follows:

(1) to any fund or account established or created pursuant to the Current Resolution or any Series Resolution; or

(2) to the Administration, free and clear of any lien and pledge created by the Current Resolution or any Series Resolution, for any lawful purpose of the Administration.

If there is not a sufficient amount in the Revenue Fund to provide for the payment of the principal of and interest on the Bonds and any Sinking Fund Installment due on Outstanding Bonds on any date, the Trustee shall withdraw from the Surplus Fund and pay into the Revenue Fund the amount of the deficiency then remaining. The Trustee shall notify the Administration in writing before any such withdrawal from the Surplus Fund.

Investment of Funds and Accounts

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 of which shall coincide as nearly as practicable with the times at which moneys in such funds or accounts will be required for the purposes provided in the Current Resolution.

Obligations purchased as an investment of moneys in any fund or account held by the Trustee under the provisions of the Current Resolution shall be deemed at all times to be a part of such fund or account, and except as otherwise expressly provided in the Current Resolution, the income or interest earned by, or the increment to, a fund or account due to the investment thereof shall be transferred to the Revenue Fund as received.

Except as otherwise provided in a Series Resolution, the amount in any fund or account held by the Trustee under the provisions of the Current Resolution shall be determined as of the end of each month on the basis of the market value of the obligations in which such amount is invested.

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. The Trustee shall advise the Administration in writing, on or before the last day of each calendar month, of the details of all cash and investments held for the credit of, and transactions in, each fund or account in its custody under the provisions of the Current Resolution as of the end of the preceding month.

Discharge of Lien of Current Resolution

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 the Bonds the principal of and premium, if any, and interest on the Bonds due or to become due at the times and in the manner stipulated in such Bonds, then unless there shall be delivered to the Trustee a Certificate of the Administration to the contrary, these presents and the estate and rights hereby granted shall cease, determine and be void, whereupon the Trustee shall cancel and discharge the lien of the Current 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 to the Administration any and all of 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 Current Resolution, except moneys and securities held by the Trustee or any Paying Agent for the payment of the principal of and premium, if any, and interest on Bonds not theretofore presented for payment.

Any Bond shall be deemed to be paid and for all purposes of the Current Resolution when payment of the principal of and premium, if any, and interest thereon to the due date thereof (whether such due date is by reason of maturity or upon redemption) either (1) shall have been made or caused to be made in accordance with the terms thereof, or (2) shall have been provided for by the irrevocable deposit with the Trustee, in trust, of moneys and Federal Obligations maturing as to principal and interest in such amounts and at such times as will ensure the availability of sufficient moneys to make such payment. At such time as a Bond shall be deemed to be paid in accordance with the Current Resolution, it shall no longer be secured by or entitled to the benefits of the Current Resolution, except for the purposes of any such payment from such moneys or Federal Obligations.

Events of Default.

Each of the following shall constitute an Event of Default under the Current Resolution and is herein called an "Event of Default":

(a) interest on any Bond is not paid when the same becomes due, or the principal or redemption price of any Bond is not paid at maturity or at a redemption date at which such Bond is required to be redeemed or a Sinking Fund Installment is not paid when due;

(b) if there is a default in the performance or observance of any other covenants, agreements or conditions on the part of the Administration contained in the Current Resolution, a Series Resolution or the Bonds, and such default is not remedied after notice thereof; or

(c) if the Administration shall file a petition seeking a composition between the Administration and its creditors, or for the purpose of adjusting the claims of such creditors, under the federal bankruptcy laws or under any other applicable law or statute of the United States of America or of the State if the claims of such creditors are under any circumstances payable from the Revenues.

A default under the Current Resolution shall not be or constitute a default under any other resolution adopted by the Administration or with respect to any other obligation of the Administration.

Remedies; Rights of Bondholders

Upon the occurrence of such Event of Default the Trustee may, and upon the Request of the holders of not less than 25% of the Bonds (exclusive of any Subordinated Bonds) shall proceed, to protect and enforce its rights and the rights of the holders of Bonds under the laws of the State and under the Current Resolution by such suits, actions or special proceedings in equity or at law, either for the specific performance of any covenant contained in the Current Resolution, or in aid or execution of any power granted, or for an accounting against the Administration as if the Administration were the trustee of an express trust or for the enforcement of any proper legal or equitable remedy as the Trustee shall deem most effectual to protect and enforce such rights.

Except as provided in the Current Resolution, the holders of a majority in aggregate principal amount of Bonds then Outstanding (exclusive of any Subordinated Bonds) 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 Current Resolution, or for the appointment of a receiver or any other proceedings under the Current Resolution; provided that such direction shall not be otherwise than in accordance with the provisions of law and of the Current Resolution.

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 Current Resolution or for the execution of any trust hereof or for the appointment of a receiver or any other remedy under the Current Resolution, unless (a) an Event of Default shall have occurred and be continuing and the owners of not less than 25% of the Bonds shall have given written notice to the Trustee thereof and shall have offered the Trustee a reasonable opportunity either to proceed to exercise the powers granted or to institute such action, suit or proceeding in the Trustee's or their name, (b) there shall have been offered to the Trustee indemnity, and (c) the Trustee shall thereafter fail or refuse to exercise the powers granted, or to institute such action, suit or proceeding within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of the Current Resolution, and to any action or cause of action for the enforcement of the Current Resolution, or for the appointment of a receiver or for any other remedy under the Current Resolution; it being understood and intended that no one or more holders of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of the Current Resolution by such holder's action or to enforce any right except in the manner provided in the Current Resolution, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner provided in the Current Resolution and for the equal and ratable benefit of the holders of all Bonds then Outstanding (other than owners of Subordinated Bonds, who shall be entitled to the priority established pursuant to the Current Resolution). However, nothing contained in the Current 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 Current Resolution to the respective holders thereof at the time, place, from the source and in the manner expressed in the Bonds.

The Trustee may at its discretion waive any Event of Default and its consequences, and shall do so upon the written request of the holders of (a) a majority of the Bonds in respect of which default in the payment of principal or interest, or both, exists, or (b) more than 25% of the Bonds in the case of any other default, 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, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

Supplemental Bond Resolutions

At any time or from time to time, a resolution of the Administration supplementing the Current Resolution or any Series Resolution may be adopted for any one or more of the following purposes, 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:

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

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

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

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

(5) to confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, the Current Resolution, of the Trust Estate or any portion thereof; or

(6) to specify, determine or authorize any and all matters relative to any Additional Bonds or the proceeds thereof which are not contrary to or inconsistent with the Current Resolution as theretofore in effect.

Except as provided above, at any time and from time to time, with the consent of the holders of a majority of the Bonds, the Administration may adopt a resolution modifying, altering, amending, adding to or rescinding any of the terms or provisions contained in the Current Resolution or in any Series Resolutions; *provided*, however, that nothing in this paragraph shall permit, or be construed as permitting (a) an extension of the maturity date of any Bond or the due date for the payment of any Sinking Fund Installment or any interest on any Bond, or a reduction in the principal amount of any Bond or the rate of interest thereon or the dates and prices at which such Bond is subject to redemption without the consent of such holder, or (b) a privilege or priority of any Bond or Bonds over any other Bond or Bonds (other than any Subordinated Bonds) without the consent of all holders adversely affected thereby, or (c) a reduction in the aggregate principal amount of the Bonds the consent of the holders of which is required for any Resolution without the consent of the holders of all Outstanding Bonds, or (d) any modification of the obligations, duties, immunities and privileges of the Trustee without the written consent of the Trustee.

The Trustee

The Administration may appoint a Registrar or Co-Registrar other than the Trustee to serve as Registrar for any Bonds by Series Resolution adopted before their delivery and may, at any time or from time to time by a Supplemental Resolution or Series Resolution, appoint one or more other Registrars or Co-Registrars for such Bonds. Each Registrar or Co-Registrar and any successor thereof shall be a bank, trust company or national banking association having trust powers and having a capital and surplus aggregating at least $25,000,000 if there be such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Current Resolution. Each Registrar or Co-Registrar shall signify its acceptance of the duties and obligations imposed upon it by the Current Resolution by executing and delivering to the Administration and the Trustee a written acceptance thereof.

The Trustee may become the owner of or may deal in Bonds 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 Current 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 Current Resolution by giving not less than 60 days' written notice to the Administration and publishing notice thereof, specifying the date when such resignation shall take effect, within 20 days after the giving of such written notice. Such resignation shall take effect upon the day specified in such notice, unless previously a successor shall have been appointed by the Administration or Bondholders, in which event such resignation shall take effect immediately on the appointment of such successor.

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 Current Resolution), by notice given to the Trustee by the Administration, or by the holders of a majority 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.

If the Trustee or any successor thereof, 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, notification thereof being given to the Administration and the predecessor Trustee. Pending such appointment, the Administration shall forthwith appoint a Trustee to fill such vacancy until a successor Trustee shall be appointed by Bondholders. Notwithstanding any other provision of the Current Resolution, no removal, resignation or termination of the Trustee shall take effect until a successor, shall be appointed. The Administration shall, within 20 days after such appointment, publish in any manner permitted under the Current Resolution, notice of any such appointment. Any successor Trustee appointed by the Administration shall, immediately and without further act, be superseded by a Trustee appointed by Bondholders. If in a proper case, no appointment of a successor Trustee shall be made within 45 days after the Trustee shall have given to the Administration written notice of resignation or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Said court may thereupon, after such notice, if any, as said court may deem proper and prescribe, appoint a successor Trustee. Any Trustee appointed shall be a bank, trust company or national banking association in good standing located in or incorporated under the laws of the State, duly authorized to exercise trust powers and subject to examination by federal or state authorities, having a reported capital and surplus of not less than $75,000,000.

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 or substantially all of its corporate trust business.

The Administration, in its sole discretion, reserves the right, in the future and from time to time, to undertake to obtain competitive bids from financial and trust institutions for the performance of the services of Trustee under the Current Resolution. The Trustee agrees that in the event it is not the successful bidder for trustee services in the future, it shall resign as Trustee upon request of the Administration. Alternatively, at the option of the Administration, the failure of the Trustee to be the successful bidder for trustee services in the future, shall constitute sufficient reason for removal of the Trustee under the Current Resolution by the Administration.

Publication of Notices

When the Trustee shall be required or authorized, or shall receive notice from the Administration of its election, to redeem Bonds, the Trustee shall, in accordance with the terms and provisions of the Bonds and of the current Resolution and the Series Resolutions, select the Bonds to be redeemed and shall give notice, in the name of the Administration, of the redemption of Bonds at least 20 days before the redemption date.

The notice of redemption shall contain the following information: (1) the redemption date, (2) the redemption price of the Bonds being called for redemption, (3) the numbers, maturity dates, interest rates and CUSIP numbers of the Bonds being called for redemption, (4) the portions of any

Bond to be redeemed (if any Bond is to be redeemed in part), (5) any redemption, (6) a statement that the Bonds will not bear interest after the redemption date if moneys for the payment of the redemption price are held by the Trustee on such date and (7) the place or places where the redemption price is payable. Any error in or the omission of any such information shall not affect the validity of any such notice.

The failure to give such notice, or any defect therein, shall not affect the validity of any proceeding for the redemption of any Bonds.

The Administration may provide in a Series Resolution for shorter or longer periods for the giving of redemption notices for any Bonds, including (without limitation) redemption of Bonds with no prior notice to Bondholders.

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APPENDIX D

PROPOSED FORM OF OPINION OF BOND COUNSEL

[closing date]

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

Ladies and Gentlemen:

In connection with the issuance and sale by the Community Development Administration (the "Administration"), a unit of the Division of Development Finance of the Maryland Department of Housing and Community Development (the "Department") of its $27,605,000_Local Government Infrastructure Bonds (Senior Obligations), 2014 Series A-1 (the "Series 2014A-1 Bonds") and its $12,720,000 Local Government Infrastructure Bonds (Subordinate Obligations), 2014 Series A-2 (the "Series 2014A-2 Bond" and, together with the Series 2014A-1 Bonds, the "Series 2014A Bonds"), we have examined:

(i) Sections 4-101 through 4-255 of the Housing and Community Development Article of the Annotated Code of Maryland, as amended (the "Act");

(ii) the Resolution Providing for the Issuance of Local Government Infrastructure Bonds of the Community Development Administration, adopted as of August 1, 2010, as amended and supplemented (the "Current Resolution"), duly adopted by the Administration and accepted by Manufacturers and Traders Trust Company, as trustee (the "Trustee");

(iii) the Series Resolution Providing for the Issuance of the Community Development Administration $27,605,000 Local Government Infrastructure Bonds (Senior Obligations), 2014 Series A-1 and the $12,720,000 Local Government Infrastructure Bonds (Subordinate Obligations), 2014 Series A-2, adopted as of August 1, 2014, (the "Series Resolution"). The Current Resolution and the Series Resolution are referred to collectively as the "Resolutions."

(iv) the form of Series 2014A-1 Bond and Series 2014A-2 Bond;

(v) relevant provisions of the Internal Revenue Code of 1986, as amended (the "Code"); and

(vi) other proofs submitted to us relative to the issuance and sale of the Series 2014A Bonds.

The terms of each series of the Series 2014A Bonds are contained in the Resolutions and the Series 2014A Bonds. The Administration will make funds available from each series of the Series 2014A Bonds to finance and refinance loans to counties and municipalities or their agencies, governmental units or instrumentalities ("Local Governments") in order to finance and refinance infrastructure projects of such Local Governments.

In rendering this opinion, we have relied on the Tax and Section 148 Certificate dated this date made on behalf of the Administration by officers thereof with respect to certain material facts within the knowledge of the Administration, and on related certificates made on behalf of the Local

Governments with respect to certain matters within the knowledge of the Local Governments relevant to the tax-exempt status of interest on the Series 2014A Bonds, including but not limited to the investment and use of the proceeds of the Series 2014A Bonds and the use of the infrastructure projects financed with the proceeds of the Series 2014A Bonds.

In our review of the documents referred to above, we have assumed and have not independently verified that all signatures are genuine, that all documents submitted to or obtained by us as originals are authentic, and that all documents submitted to or obtained by us as conformed, reproduction, or specimen copies conform to the original documents.

We have made no investigation of, and are rendering no opinion regarding, the title to real or personal property.

Based upon the foregoing, it is our opinion that, under existing statutes, regulations and decisions:

(a) The Administration is validly created and existing under the provisions of the Act.

(b) The Resolutions have been duly and lawfully adopted by the Administration, are in full force and effect and are valid and binding upon the Administration.

(c) The Administration is duly authorized to issue the Series 2014A Bonds pursuant to and subject to the provisions of the Act and the Resolutions. The Series 2014A Bonds, executed and authenticated as provided in the Resolutions, have been duly and validly issued by the Administration and constitute valid and binding special obligations of the Administration, payable from the Revenues, as defined in the Current Resolution, and other funds of the Administration pledged therefor pursuant to the Resolutions.

(d) The Series 2014A Bonds are subject to bankruptcy, insolvency, moratorium, reorganization and other state and federal laws affecting the enforcement of creditors' rights and to general principles of equity.

(e) By the terms of the Act and the Resolutions, the Series 2014A Bonds shall not be a debt of, and do not pledge the faith, credit or taxing power of the State, the Department, the Administration or any political subdivision, and shall be payable solely from the Revenues and property provided in the Resolutions and in accordance with the Act. The Administration has no taxing power.

(f) By the terms of the Act, the Series 2014A Bonds, their transfer, the interest payable thereon and any income derived therefrom, including any profit realized in their sale or exchange, are exempt from taxation of every kind and nature whatsoever by the State or by its political subdivisions, or by its governmental units of any kind, but no opinion is expressed as to such exemption from estate or inheritance taxes or any other taxes not levied or assessed directly on the Series 2014A Bonds, their transfer or income therefrom.

(g) Assuming compliance with the covenants referred to herein, interest on the Series 2014A Bonds is excludable from gross income for federal income tax purposes. It is noted that under the provisions of the Code, there are certain restrictions that must be met subsequent to the delivery of the Series 2014A Bonds in order for interest on the Series 2014A Bonds to remain excludable from gross income for federal income tax purposes, including restrictions that must be complied with throughout the term of the Series 2014A Bonds. These include: (i) a requirement that certain earnings received from the investment of the proceeds of the Series 2014A Bonds be rebated to the United States of America under certain circumstances (or that certain payments in lieu of rebate be made); (ii) other requirements applicable to the investment of the proceeds of the

Series 2014A Bonds; and (iii) other requirements applicable to the use of the proceeds of the Series 2014A Bonds and the facilities financed or refinanced with proceeds of the Series 2014A Bonds. Failure to comply with one or more of these requirements could result in the inclusion of the interest payable on the Series 2014A Bonds in gross income for federal income tax purposes, effective from the date of their issuance. The Administration and the Local Governments have made certain covenants regarding actions required to maintain the excludability from gross income for federal income tax purposes of interest on the Series 2014A Bonds. It is our opinion that, assuming compliance with such covenants, the interest on the Series 2014A Bonds will remain excludable from gross income for federal income tax purposes under the provisions of the Code.

(h) Interest on the Series 2014A Bonds is not included in the alternative minimum taxable income of individuals, corporations or other taxpayers as an enumerated item of tax preference or other specific adjustment. However, for purposes of calculating the corporate alternative minimum tax, a corporation subject to such tax may be required to increase its alternative minimum taxable income by 75% of the amount by which its "adjusted current earnings" exceed its alternative minimum taxable income (computed without regard to this current earnings adjustment and the alternative tax net operating loss deduction). For such purposes, "adjusted current earnings" may include, among other items, interest income from the Series 2014A Bonds. In addition, interest income on the Series 2014A Bonds will be subject to the branch profits tax imposed by the Code on certain foreign corporations engaged in a trade or business in the United States of America.

We assume no obligation to supplement this opinion if any applicable laws or interpretations thereof change after the date hereof or if we become aware of any facts or circumstances that might change the opinions expressed herein after the date hereof. The opinions expressed above are limited to the matters set forth above, and no other opinions should be inferred beyond the matters expressly stated.

Very truly yours,

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COMMUNITY DEVELOPMENT ADMINISTRATION
LOCAL GOVERNMENT INFRASTRUCTURE BONDS
FINANCIAL STATEMENTS

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

COMMUNITY DEVELOPMENT ADMINISTRATION
LOCAL GOVERNMENT INFRASTRUCTURE BONDS

JUNE 30, 2013 AND 2012

Community Development Administration
Local Government Infrastructure Bonds

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT

Office of the Secretary
Department of Housing and Community Development

Report on the Financial Statements

We have audited the accompanying financial statements of the Community Development Administration Local Government Infrastructure Bonds (the Fund) of the Department of Housing and Community Development of the State of Maryland as of and for the year ended June 30, 2013, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fund as of June 30, 2013, and the changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

The financial statements of Community Development Administration Local Government Infrastructure Bonds as of June 30, 2012, were audited by other auditors whose report dated September 28, 2012, expressed an unmodified opinion on those statements.

As discussed in Note 1, the financial statements present only the Community Development Administration Local Government Infrastructure Bonds and do not purport to, and do not, present fairly the financial position of the Department of Housing and Community Development of the State of Maryland as of and for the year ended June 30, 2013, and the changes in its net position and its cash flows, in conformity with accounting principles generally accepted in the United States of America.

CohnReznick LLP

Baltimore, Maryland
October 18, 2013

Community Development Administration
Local Government Infrastructure Bonds

STATEMENTS OF NET POSITION
(in thousands)

June 30, 2013 and 2012

	2013	2012
RESTRICTED ASSETS		
Restricted current assets		
Cash and cash equivalents on deposit with trustee	$ 28,320	$ 15,686
Community facilities loans	3,235	2,165
Accrued interest receivable	148	129
Total restricted current assets	31,703	17,980
Restricted long-term assets		
Community facilities loans, net of current portion	53,310	36,290
Total restricted assets	$ 85,013	$ 54,270
LIABILITIES AND NET POSITION		
Current liabilities		
Accrued interest payable	$ 124	$ 102
Accounts payable	61	146
Bonds payable	3,295	2,200
Due to local governments	26,641	14,493
Total current liabilities	30,121	16,941
Long-term liabilities		
Bonds payable, net of current portion	54,611	37,183
Advance trustee fees	12	4
Total long-term liabilities	54,623	37,187
Total liabilities	84,744	54,128
NET POSITION		
Restricted	269	142
Total liabilities and net position	$ 85,013	$ 54,270

See notes to financial statements

Community Development Administration
Local Government Infrastructure Bonds

STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
(in thousands)

Years ended June 30, 2013 and 2012

	2013	2012
Operating revenue		
Interest on community facilities loans	$ 1,438	$ 907
Operating expenses		
Interest expense on bonds	1,311	826
Operating income	127	81
CHANGE IN NET POSITION	127	81
Net position - restricted at beginning of year	142	61
Net position - restricted at end of year	$ 269	$ 142

See notes to financial statements

Community Development Administration
Local Government Infrastructure Bonds

STATEMENTS OF CASH FLOWS
(in thousands)

Years ended June 30, 2013 and 2012

	2013	2012
Cash flows from operating activities		
Principal and interest received on community facilities loans	$ 4,609	$ 2,084
Origination of community facilities loans	(9,217)	(12,357)
Advance trustee fees received	20	8
Trustee fees paid	(12)	(8)
Net cash used in operating activities	(4,600)	(10,273)
Cash flows from investing activities		
Interest received on cash equivalents	-	-
Net cash provided by investing activities	-	-
Cash flows from noncapital financing activities		
Proceeds from sale of bonds	21,758	13,970
Payments on bond principal	(3,235)	(1,255)
Interest on bonds	(1,289)	(790)
Net cash provided by noncapital financing activities	17,234	11,925
NET INCREASE IN CASH AND CASH EQUIVALENTS ON DEPOSIT	12,634	1,652
Cash and cash equivalents on deposit at beginning of year	15,686	14,034
Cash and cash equivalents on deposit at end of year	$ 28,320	$ 15,686

(continued)

Community Development Administration
Local Government Infrastructure Bonds

STATEMENTS OF CASH FLOWS - CONTINUED
(in thousands)

Years ended June 30, 2013 and 2012

	2013	2012
Reconciliation of operating income to net cash used in operating activities		
Operating income	$ 127	$ 81
Adjustments to reconcile operating income to net cash used in operating activities		
Increase in community facilities loans	(18,090)	(12,395)
Increase in accrued interest receivable	(19)	(53)
Increase in accrued interest payable	22	36
(Decrease) increase in accounts payable	(85)	146
Increase in due to local governments and other liabilities	12,156	1,122
Interest on bonds	1,289	790
Net cash used in operating activities	$ (4,600)	$ (10,273)

See notes to financial statements

NOTES TO FINANCIAL STATEMENTS
(in thousands)

June 30, 2013 and 2012

NOTE 1 - AUTHORIZING LEGISLATION AND PROGRAM DESCRIPTION

The Community Development Administration (CDA) is authorized to issue Local Government Infrastructure Bonds pursuant to Sections 4-101 through 4-255 of the Housing and Community Development Article of the Annotated Code of Maryland to provide a mechanism for financing the infrastructure needs of local governments. CDA is in the Division of Development Finance in the Department of Housing and Community Development (DHCD) of the State of Maryland.

The accompanying financial statements only include CDA's Local Government Infrastructure Bonds (the Fund) (resolution adopted August 1, 2010). CDA's other Funds are not included.

The Fund was established to issue bonds to provide funds for construction and permanent financing to local governments for public facilities.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Local Government Infrastructure Bonds is accounted for as an enterprise fund. Accordingly, the accompanying financial statements have been prepared using the accrual method of accounting and on the basis of accounting principles generally accepted in the United States of America (GAAP).

Generally Accepted Accounting Principles

CDA reports its financial activities by applying Standards of Governmental Accounting and Financial Reporting as promulgated by the Governmental Accounting Standards Board (GASB). Consequently, CDA applies all applicable GASB pronouncements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In accordance with accounting guidance issued by GASB, net position should be reported as restricted when constraints placed on net position use is either: externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions or enabling legislation. Accordingly, the net position of the Fund is restricted as to its use as the net position is pledged to bondholders.

The Annual Financial Report may include a Management's Discussion and Analysis. Since CDA is an enterprise fund included in the State of Maryland's Comprehensive Annual Financial Report, a separate Management's Discussion and Analysis is not required in these financial statements. CDA prepares a Management's Discussion and Analysis for the General Accounting Division of the State of Maryland that is not part of these financial statements.

Recent Accounting Pronouncements

During fiscal year 2013, CDA implemented the provisions of GASB Statement No. 62 *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Prior to the adoption of this standard, CDA adopted all Financial Accounting Standards Board (FASB) statements issued, unless those pronouncements conflicted with or contradicted GASB standards. With the adoption of GASB Statement No. 62, CDA no longer adopts or applies FASB statements.

During fiscal year 2013, CDA implemented GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The objective of this statement is to improve financial reporting by providing citizens and other users of state and local government financial reports with information about how past transactions will continue to impact a government's financial statements in the future. The impact of this statement was to formally replace the reporting title of net assets with the reporting title of net position and to report the effect of the separate classifications of deferred outflows of resources and deferred inflows of resources on net position. The provisions of GASB Statement No. 63 have been applied retroactively.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

During fiscal year 2013, CDA early implemented GASB Statement No. 65 *Items Previously Reported as Assets and Liabilities*. The objective of this statement is to either: properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources; or to recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues). The provisions of GASB Statement No. 65 have no effect on the financial statements.

Cash and Cash Equivalents on Deposit with Trustee

Cash equivalents may include money market funds, repurchase agreements, investment agreements and any other investments, primarily obligations of the U.S. Treasury and U.S. Government Agencies, which have maturities of 90 or less days at the time of purchase. As of June 30, 2013 and 2012, all of the Fund's cash equivalents were invested in a money market mutual fund which is more fully described in Note 3.

Community Facilities Loans

Community facilities loans are carried at their unpaid principal balances. See Note 4 for additional information on community facilities loans.

Allowance for Loan Losses

Community facilities loans are secured by the full faith and credit of the applicable local government. Therefore, CDA has determined that no allowance for loan losses was necessary as of June 30, 2013 and 2012.

Accrued Interest Receivable

Accrued interest includes both interest on cash deposits and interest on loans. As of June 30, 2013 and 2012, all loans were current. Therefore, all accrued interest on loans was recorded during the year.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Bonds Payable

Bonds payable are carried at their unpaid principal balances, net of unamortized bond premiums. See Notes 5, 6 and 7 for additional information.

Due to Local Governments

CDA records the total loan amount when the loan closes and collects interest from the local government on this full loan amount from the date of closing. Due to local governments represents the undrawn loan amount which is held by CDA as an escrow until the funds are needed by the local government.

Administrative Support

In addition to expenses incurred directly by the Fund, CDA receives certain support services from other divisions of DHCD. Support services and the operating expenses of CDA have been allocated to CDA's General Bond Reserve Fund and are reported in the financial statements of CDA's Revenue Obligation Funds. The General Bond Reserve Fund records these expenses as invoiced by DHCD for the fiscal year.

The employees of CDA are covered by the Maryland State Retirement and Pension System and the costs of employees' retirement benefits are included in the salaries and related costs charged to CDA's General Bond Reserve Fund. See Note 8 for additional information.

Revenue and Expenses

CDA distinguishes operating revenue and expenses from non-operating items in accordance with accounting guidance issued by GASB. Operating revenue and expenses are identified as those activities that are directly related to financing public facilities for local governments. All of the Fund's activities are considered to be operating.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue, expenses, gains and losses during the reporting periods. Actual results could differ from these estimates.

NOTE 3 - CASH AND CASH EQUIVALENTS ON DEPOSIT WITH TRUSTEE

Proceeds from bonds and revenues from loans are invested in authorized investments as defined in the Local Government Infrastructure Bonds Resolution (the Resolution) and in CDA's Investment Policy until required for financing projects, redeeming outstanding bonds, and funding program expenses. Authorized investments include obligations of the U.S. Treasury, U.S. Government Agencies, investment agreements, money market funds and any other investment as defined by the Resolution.

As of June 30, 2013 and 2012, the Fund had \$28,320 and \$15,686, respectively, invested in a money market mutual fund (Federated Prime Cash Obligations Fund) which is classified as cash and cash equivalents. The following represents the GASB evaluation of this asset for interest rate risk, credit risk, concentration of credit risk and custodial credit risk.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses from rising interest rates, CDA's Investment Policy requires that the maturities of the investment portfolio are scheduled to meet the cash requirements for bond debt service, projected loan originations and ongoing operations.

NOTE 3 - CASH AND CASH EQUIVALENTS ON DEPOSIT WITH TRUSTEE (Continued)

The Federated Prime Cash Obligations Fund invests primarily in short-term, high-quality, fixed-income securities issued by banks, corporations and the U.S. Government. It is operated in accordance with Rule 2a-7 of the Investment Company Act of 1940, as amended. It can reasonably be expected to have a fair value that will be unaffected by interest rate changes because the interest rates are variable and the principal can be recovered on demand. As noted above, as of June 30, 2013 and 2012, the cost of the money market mutual fund approximated fair value and its maturity is less than one year.

Credit Risk and Concentration of Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Neither CDA's Investment Policy nor the Resolution requires investment agreements or deposits to be collateralized. CDA's Investment Policy places no limit on the amount that CDA may invest in any one issuer or counterparty. According to the Resolution, securities must be rated at the highest investment grade by any national rating agency. U.S. dollar denominated accounts and bankers' acceptances which have a rating on their short-term certificates of deposit must be in the two highest ratings by any nationally recognized rating agency. Accounting guidance issued by GASB requires disclosure by amount and investment issuer if investments in any one issuer represent 5 percent or more of total investments. Investments in mutual funds are excluded from this requirement.

As of June 30, 2013 and 2012, the Federated Prime Cash Obligations Fund was rated AAAm by Standard and Poor's and Aaa by Moody's Investors Service.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank or counterparty failure, CDA will not be able to recover its deposits or the value of its collateral securities that are in the possession of an outside party. As of June 30, 2013 and 2012, the Fund's investments were not subject to custodial credit risk under accounting guidance issued by GASB. The money market mutual fund is held in trust by the trustee, kept separate from the assets of the bank and from other trust accounts and is held in CDA's name.

Community Development Administration
Local Government Infrastructure Bonds

NOTES TO FINANCIAL STATEMENTS - CONTINUED
(in thousands)

June 30, 2013 and 2012

NOTE 4 - COMMUNITY FACILITIES LOANS

Community facilities loans are secured by the full faith and credit of the applicable local government. As such, no allowance for loan losses was necessary as of June 30, 2013 and 2012. As of June 30, 2013 and 2012, interest rates on such loans range from 1.77% to 3.78% and remaining loan terms range from less than 2 years to 19 years and less than 3 years to 20 years, respectively.

NOTE 5 - BONDS PAYABLE

The bonds issued by CDA are special obligations of CDA and are payable from the revenue and special funds of the Resolution. These bonds do not constitute debt of and are not guaranteed by the State of Maryland or any other program of the State of Maryland or any political subdivision.

The provisions of the Resolution require or allow for the special redemption of bonds at par through the use of unexpended bond proceeds and excess funds accumulated primarily through prepayment of community facilities loans. All outstanding bonds are subject to redemption at the option of CDA, in whole or in part at any time, after certain dates, as specified in the respective series resolutions, at a redemption price equal to the principal amount thereof to be redeemed. All bonds have fixed interest rates and all are tax-exempt.

The following is a summary of the bond activity for the year ended June 30, 2013 and the bonds payable as of June 30, 2013:

	Issue Dated	Range of Interest Rates	Range of Maturities	Debt Outstanding at June 30, 2012	Bond Activity: New bonds issued	Bond Activity: Scheduled maturity payments	Bond Activity: Bonds redeemed	Debt Outstanding at June 30, 2013	Bond premium deferred	Bonds payable at June 30, 2013
Local Government Infrastructure Bonds										
2010 Series A-1	08/25/10	1.00% - 4.00%	2013 - 2030	$ 17,650	$ -	$ (885)	$ -	$ 16,765	$ -	$ 16,765
2010 Series A-2	08/25/10	1.00% - 4.00%	2013 - 2030	7,760	-	(385)	-	7,375	3	7,378
2012 Series A-1	05/17/12	1.00% - 3.50%	2013 - 2032	9,550	-	(645)	-	8,905	-	8,905
2012 Series A-2	05/17/12	1.00% - 3.60%	2013 - 2032	4,420	-	(285)	-	4,135	-	4,135
2012 Series B-1	12/19/12	0.30% - 3.125%	2013 - 2032	-	14,900	(715)	-	14,185	-	14,185
2012 Series B-2	12/19/12	0.35% - 3.125%	2013 - 2032	-	6,855	(320)	-	6,535	3	6,538
Total				$ 39,380	$ 21,755	$ (3,235)	$ -	$ 57,900	$ 6	$ 57,906

(in thousands)

NOTE 5 - BONDS PAYABLE (Continued)

The following is a summary of the bond activity for the period ended June 30, 2012 and the bonds payable as of June 30, 2012:

	Issue Dated	Range of Interest Rates	Range of Maturities	Debt Outstanding at June 30, 2011	Bond Activity: New bonds issued	Bond Activity: Scheduled maturity payments	Bond Activity: Bonds redeemed	Debt Outstanding at June 30, 2012	Bond premium deferred	Bonds payable at June 30, 2012
Local Government Infrastructure Bonds										
2010 Series A-1	08/25/10	1.00% - 4.00%	2012 - 2030	$ 18,525	$ -	$ (875)	$ -	$ 17,650	$ -	$ 17,650
2010 Series A-2	08/25/10	1.00% - 4.00%	2012 - 2030	8,140	-	(380)	-	7,760	3	7,763
2012 Series A-1	05/17/12	1.00% - 3.50%	2013 - 2032	-	9,550	-	-	9,550	-	9,550
2012 Series A-2	05/17/12	1.00% - 3.60%	2013 - 2032	-	4,420	-	-	4,420	-	4,420
Total				$ 26,665	$ 13,970	$ (1,255)	$ -	$ 39,380	$ 3	$ 39,383

NOTE 6 - DEBT SERVICE REQUIREMENTS

As of June 30, 2013, the required principal payments for bonds (including mandatory sinking fund payments and excluding the effect of unamortized bond premiums) and interest payments for each of the next five years and in 5-year increments thereafter, were as follows:

Years ended June 30,	Interest	Principal
2014	$ 1,492	$ 3,295
2015	1,454	3,345
2016	1,410	3,390
2017	1,363	3,455
2018	1,299	3,530
2019 - 2023	5,322	16,840
2024 - 2028	3,061	15,295
2029 - 2033	645	8,750
Total	$ 16,046	$ 57,900

(in thousands)

NOTE 6 - DEBT SERVICE REQUIREMENTS (Continued)

As of June 30, 2012, the required principal payments for bonds (including mandatory sinking fund payments and excluding the effect of unamortized bond premiums) and interest payments for each of the next five years and in 5-year increments thereafter, were as follows:

Years ended June 30,	Interest	Principal
2013	$ 1,092	$ 2,200
2014	1,059	2,245
2015	1,026	2,290
2016	990	2,320
2017	953	2,375
2018 - 2022	3,908	11,655
2023 - 2027	2,272	9,885
2028 - 2032	549	6,410
Total	$ 11,849	$ 39,380

(in thousands)

NOTE 7 - LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended June 30, 2013 and period ended June 30, 2012 were as follows:

	2013	2012
Bonds payable		
Beginning balance	$ 39,383	$ 26,668
Additions	21,758	13,970
Reductions	(3,235)	(1,255)
Ending balance	57,906	39,383
Less due within one year	(3,295)	(2,200)
Total long-term bonds payable	54,611	37,183
Other liabilities - advance trustee fees		
Beginning balance	4	4
Additions	20	8
Reductions	(12)	(8)
Ending balance	12	4
Total long-term other liabilities - advance trustee fees	12	4
Total long-term liabilities	$ 54,623	$ 37,187

NOTE 8 - PENSION AND OTHER POST-RETIREMENT BENEFITS

Eligible employees of CDA and employees of the State of Maryland are covered under the retirement plans of the State Retirement and Pension System of Maryland (the System) and are also entitled to certain healthcare benefits upon retirement. CDA's only liability for retirement and post-employment benefits is its required annual contribution, which was paid in full by CDA to the State of Maryland prior to year end. The System prepares a separate audited Comprehensive Annual Financial Report which can be obtained from the State Retirement and Pension System of Maryland, 120 East Baltimore Street, Baltimore, Maryland 21202 or by visiting the website at www.sra.state.md.us.

NOTE 9 - SUBSEQUENT EVENTS

Events that occur after the date of the statement of net position but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the date of the statement of net position are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the date of the statement of net position require disclosure in the accompanying notes. Management evaluated the activity of CDA through October 18, 2013 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements, except for the following activity that occurred subsequent to June 30, 2013.

Subsequent to the year ended June 30, 2013, CDA issued $21,380 of 2013 Series A bonds on October 3, 2013.

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COMMUNITY DEVELOPMENT ADMINISTRATION
LOCAL GOVERNMENT INFRASTRUCTURE BONDS

Unaudited Interim Financial Statements
For the nine month period ended
March 31, 2014

Community Development Administration
Local Government Infrastructure Bonds

Statements of Net Position
(in thousands)

As of March 31, 2014 and June 30, 2013

	3/31/2014 (Unaudited)	6/30/2013 (Audited)
Restricted assets		
Restricted current assets		
Cash and cash equivalents on deposit	$ 40,842	$ 28,320
Community facilities loans	4,020	3,235
Accrued interest receivable	821	148
Total restricted current assets	45,683	31,703
Restricted long-term assets		
Community facilities loans, net of current portion	73,460	53,310
Total restricted long-term assets	73,460	53,310
Total restricted assets	$ 119,143	$ 85,013
Liabilities and net position		
Current liabilities		
Accrued interest payable	$ 747	$ 124
Accounts payable	34	61
Bonds payable	4,080	3,295
Due to local governments	38,511	26,641
Total current liabilities	43,372	30,121
Long-term liabilities		
Bonds payable, net of current portion	75,205	54,611
Advance trustee fees	-	12
Total long-term liabilities	75,205	54,623
Total liabilities	118,577	84,744
Net position		
Restricted	566	269
Total liabilities and net position	$ 119,143	$ 85,013

See accompanying notes.

Community Development Administration
Local Government Infrastructure Bonds

Statements of Revenue, Expenses and Changes in Net Position
(in thousands)

For the nine months ended March 31, 2014 and March 31, 2013

	3/31/2014 (Unaudited)	3/31/2013 (Unaudited)
Operating revenue		
Interest on community facilities loans	$ 1,620	$ 1,022
Fee income	105	-
Other operating revenue	61	-
	1,786	1,022
Operating expenses		
Interest expense on bonds	1,489	934
	1,489	934
Operating income	297	88
Changes in net position	297	88
Net position - restricted at beginning of period	269	142
Net position - restricted at end of period	$ 566	$ 230

See accompanying notes.

Community Development Administration
Local Government Infrastructure Bonds

Statements of Cash Flows
(in thousands)

For the nine months ended March 31, 2014 and March 31, 2013

	3/31/2014 (Unaudited)	3/31/2013 (Unaudited)
Cash flows from operating activities		
Principal and interest received on community facilities loans	$ 947	$ 608
Origination of community facilities loans	(9,092)	(8,005)
Advance trustee fees received	16	8
Trustee fees paid	(28)	(12)
Loan fees received	105	-
Other operating revenue	61	-
Net cash from operating activities	(7,991)	(7,401)
Cash flows from investing activities		
Interest received on cash equivalents	-	-
Net cash from investing activities	-	-
Cash flows from noncapital financing activities		
Proceeds from sale of bonds	21,379	21,758
Interest on bonds	(866)	(552)
Net cash from noncapital financing activities	20,513	21,206
Net increase in cash and cash equivalents on deposit	12,522	13,805
Cash and cash equivalents on deposit at beginning of period	28,320	15,686
Cash and cash equivalents on deposit at end of period	$ 40,842	$ 29,491

(continued)

Community Development Administration
Local Government Infrastructure Bonds

Statements of Cash Flows - continued
(in thousands)

For the nine months ended March 31, 2014 and March 31, 2013

	3/31/2014 (Unaudited)	3/31/2013 (Unaudited)
Reconciliation of operating income to net cash from operating activities		
Operating income	$ 297	$ 88
Adjustments to reconcile operating income to net cash from operating activities		
Increase in community facilities loans	(20,935)	(21,280)
Increase in accrued interest receivable	(673)	(414)
(Decrease) increase in accounts payable	(27)	24
Increase in accrued interest payable	623	382
Increase in due to local governments and other liabilities	11,858	13,247
Interest on bonds	866	552
Net cash from operating activities	$ (7,991)	$ (7,401)

See accompanying notes.

Community Development Administration
Local Government Infrastructure Bonds

Notes to Unaudited Interim Financial Statements
(in thousands)

March 31, 2014

1. Basis of Presentation:

In the opinion of management, the accompanying interim financial statements of the Community Development Administration (CDA) Local Government Infrastructure Bonds present fairly the financial position at March 31, 2014 and the results of its operations for the nine months ended March 31, 2014 and March 31, 2013. These interim financial statements include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the financial position and results of operations. The March 31, 2014 financial statements are unaudited, and certain information and footnote disclosures normally included in the annual financial statements have been omitted. Readers of these statements should refer to the financial statements and notes thereto as of June 30, 2013 and for the year then ended, which have been included elsewhere in this disclosure. The results of operations presented in the accompanying financial statements are not necessarily representative of operations for the entire year.

2. Bonds Payable:

On October 3, 2013, CDA issued $14,660 of Local Government Infrastructure Bonds 2013 Series A-1 with interest rates of 0.35% to 5.00% and maturity dates from June 1, 2014 to June 1, 2043.

Also on October 3, 2013, CDA issued $6,720 of Local Government Infrastructure Bonds 2013 Series A-2 with interest rates of 0.40% to 5.05% and maturity dates from June 1, 2014 to June 1, 2043.

DHCD

Maryland Department of Housing
and Community Development