NEW ISSUE — Series 2010 C Bonds
ESCROW RELEASE — Series 2009 A-3 Bonds
BOOK ENTRY ONLY

In the opinion of Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes, except during the period when the Bonds are held by a "substantial user" of the facilities financed by the Bonds or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986. Bond Counsel is further of the opinion that interest on the Bonds is not a specific preference item or included in adjusted current earnings for purposes of the federal alternative minimum tax. In addition, in the opinion of Bond Counsel to the Administration, under existing statutes, the Bonds, their transfer, the interest payable thereon, and any income derived therefrom, including any profit realized on the sale or exchange thereof, are exempt from taxation of every kind and nature whatsoever by the State, except that no opinion is expressed with respect to any exemption from Maryland estate or inheritance taxes. See "TAX MATTERS" herein.

$9,515,000
COMMUNITY DEVELOPMENT ADMINISTRATION
MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
Multi-Family Mortgage Revenue Bonds

$4,105,000
Series 2010 C (Non-AMT)†
(New Issue)

$5,410,000
Series 2009 A-3 (Non-AMT)†
(Not Offered Hereby)

Dated: Series 2010 C Bonds — Date of Delivery
Series 2009 A-3 Bonds — December 30, 2009
(interest accrual commencing September 29, 2010)

Due: as shown on inside cover page

The Community Development Administration (the "Issuer" or the "Administration") has agreed to issue and deliver its $4,105,000 Multi-Family Mortgage Revenue Bonds, Series 2010 C (the "Series 2010 C Bonds") and to deliver its $5,410,000 Multi-Family Mortgage Revenue Bonds, Series 2009 A-3 (the "Series 2009 A-3 Bonds," and together with the Series 2010 C Bonds, the "Bonds") pursuant to a Supplemental Series Resolution Providing for the Delivery of $5,410,000 Principal Amount of Multi-Family Mortgage Revenue Bonds, Series 2009 A-3 and Providing for the Issuance and Delivery of $4,105,000 Principal Amount of Multi-Family Mortgage Revenue Bonds, Series 2010 C, adopted as of September 1, 2010 (the "Supplemental Resolution").

The Bonds will bear interest at the rate or rates on the inside cover hereof and as described herein. The Bonds will be issued and remain as fully registered bonds without coupons, in the minimum denomination of $5,000, or any integral multiple thereof and with respect to release, conversion and redemption of the Series 2009 A-3 Bonds, $10,000 or any integral multiple in excess thereof. The Bonds are registered in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York ("DTC"). See "THE BONDS – Book Entry Only System" herein. The principal of, premium, if any, and interest on the Bonds are payable by the Trustee, by wire transfer directly to DTC, which will in turn remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds.

The Administration previously issued $92,040,000 aggregate principal amount of its Multi-Family Mortgage Revenue Bonds, Series 2009 A (the "Series 2009 A Bonds") and expects to release a portion of the proceeds of the Series 2009 A Bonds in the aggregate principal amount of $5,410,000 (the "Released Proceeds") and to convert and re-designate such portion of the Series 2009 A Bonds as the Series 2009 A-3 Bonds. See "NEW ISSUE BOND PROGRAM" herein.

Simultaneously with the issuance and/or delivery of the Bonds, the Administration will enter into a Financing Agreement, dated as of September 1, 2010 (the "Financing Agreement"), with the Trustee and Poppleton Partners II, L.P., a Maryland limited partnership (the "Borrower"), to fund a mortgage loan (the "Bond Mortgage Loan") to the Borrower for the purpose of financing the acquisition, rehabilitation, construction and equipping of a multifamily residential rental housing development located in Baltimore City, Maryland, as further described herein (the "Project").

Payments of principal of and interest on the Bond Mortgage Loan and payments of the Purchase Price of the Bonds will be secured by a direct pay Credit Enhancement Agreement, dated as of September 1, 2010 (the "Credit Enhancement Agreement"), between the Trustee and Federal Home Loan Mortgage Corporation, a shareholder-owned government-sponsored enterprise organized and existing under the laws of the United States ("Freddie Mac" or the "Credit Facility Provider"),

FREDDIE MAC

which will terminate on March 6, 2043, or upon the earlier redemption (or purchase in lieu thereof) of the Bonds under the Supplemental Resolution as more fully described herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

The Bonds will be subject to optional and mandatory redemption prior to their stated maturity date, all as further described herein.

The Bonds are special obligations of the Administration, payable solely from the Trust Estate pledged therefor under the Supplemental Resolution. The Administration has no taxing power. The Bonds do not constitute a debt of the State of Maryland, any political subdivision thereof, the Administration or the Department, or a pledge of the faith, credit or taxing power of the State, any such political subdivision, the Administration or the Department.

THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, OR ANY AGENCY OF THE UNITED STATES OF AMERICA, OR FREDDIE MAC, AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA OR BY FREDDIE MAC. PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS IS NOT GUARANTEED BY FREDDIE MAC. THE OBLIGATIONS OF FREDDIE MAC UNDER THE CREDIT ENHANCEMENT AGREEMENT ARE OBLIGATIONS SOLELY OF FREDDIE MAC AND ARE NOT BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA.

The Series 2010 C Bonds are offered for delivery when, as and if issued by the Administration and accepted by the Underwriters, and the delivery of the Series 2010 C Bonds is subject to the opinion of Kutak Rock LLP, Washington, D.C., Bond Counsel, as to the validity of, and the excludability from gross income for federal income tax purposes of interest on, the Series 2010 C Bonds. A portion of the Series 2009 A Bonds will be converted and re-designated as the Series 2009 A-3 Bonds upon the issuance and delivery of the Series 2010 C Bonds and certain other conditions, and the delivery of the Series 2009 A-3 Bonds is subject to the opinion of Bond Counsel as to the validity of, and the excludability from gross income for federal income tax purposes of interest on, the Series 2009 A-3 Bonds. Certain legal matters will be passed upon for the Administration by an Assistant Attorney General of the State of Maryland as Counsel to the Department. Certain legal matters will be passed upon for Freddie Mac by its Legal Division and by its special counsel, Ballard Spahr LLP, Washington, D.C., for the Borrower by its counsel, Nixon Peabody, LLP, Los Angeles, California. Certain legal matters will be passed upon for the Underwriters by their counsel, Miles & Stockbridge, P.C. It is expected that the Bonds will be available for delivery to DTC on or about September 29, 2010.

RBC Capital Markets

BofA Merrill Lynch **J.P. Morgan**

Dated: September 16, 2010

† Interest on the Bonds is not included in adjusted current earnings under the alternative minimum tax provisions of the Code. See "TAX MATTERS" herein and the form of Opinion of Bond Counsel attached hereto.

MATURITY SCHEDULE

Series 2010 C Term Bonds

Maturity	Amount	Interest Rate
September 1, 2013	$4,105,000	1.00%

Series 2009 A-3 Term Bonds*

Maturity	Amount	Interest Rate
January 1, 2044	$5,410,000	3.21%

Price of all Bonds: 100%

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* The Series 2009 A-3 Bonds are not offered hereby. A portion of the Administration's Multi-Family Mortgage Revenue Bonds, Series 2009 A in the aggregate principal amount of $5,410,000 will be converted to and re-designated as the Series 2009 A-3 Bonds on the date of delivery of the Series 2010 C Bonds (such date being the "Release Date"). The Series 2009 A-3 Bonds will bear interest from and including the Release Date to but excluding November 29, 2010 at a rate equal to the lesser of (a) the interest rate for Four Week Treasury Bills as of the second Business Day prior to the Release Date plus 60 basis points or (b) 3.21%. Thereafter, the Series 2009 A-3 Bonds shall bear interest at the permanent rate of 3.21% to maturity.

No broker, dealer, salesman or other person has been authorized by the Administration or the Borrower to give any information or to make any representations with respect to the Bonds other than as contained in this Official Statement and, if given or made, such information or representations must not be relied upon as having been authorized by the Administration or the Borrower. 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 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

Freddie Mac has not provided or approved any information in this Official Statement, except with respect to the description under the caption "FREDDIE MAC," and takes no responsibility for any other information contained in this Official Statement. Freddie Mac makes no representation as to the contents of this Official Statement, the suitability of the Bonds for any investor, the feasibility or performance of the Project, or compliance with any securities, tax or other laws or regulations. Freddie Mac's role is limited to entering into the Credit Enhancement Agreement described herein. The Servicer has not provided or approved any information in this Official Statement except with respect to the descriptions under the caption "THE SERVICER," and takes no responsibility for any other information contained in this Official Statement. The Servicer makes no representation as to the contents of this Official Statement, the suitability of the Bonds for any investor, the feasibility or performance of the Project, or compliance with any securities, tax or other laws or regulations.

The Administration has not provided or approved any information in this Official Statement except with respect to the information under the caption "THE ISSUER" and "NO LITIGATION – The Administration" and "CONTINUING DISCLOSURE – The Administration." Although this Official Statement contains information from sources believed to be reliable, the Administration makes no representation as to the contents of this Official Statement other than those referred above, and neither the Administration nor the Borrower makes any representation as to the suitability of the Bonds for any investor, the feasibility or performance of the Project, or compliance with any securities laws or regulations (except as provided respectively under "CONTINUING DISCLOSURE – The Administration" and "CONTINUING DISCLOSURE – The Borrower"), tax law or regulations or other laws or regulations. The Administration's role is limited to the issuance and delivery of the Series 2010 C Bonds and the delivery of the Series A-3 Bonds.

The Underwriters have reviewed the information in this Official Statement pursuant to their responsibilities to investors under federal securities laws, 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 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 made hereunder shall, under any circumstances, create any implication that there has been no change in the information or opinions set forth herein since the date hereof.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF

THE SERIES 2010 C BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET, SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

No registration statement relating to the Bonds has been filed with the Securities and Exchange Commission (the "Commission") or with any state securities agency. The Bonds have not been approved or disapproved by the Commission or any state securities agency, nor has the Commission or any state securities agency passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

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OFFICIAL STATEMENT

$9,515,000
COMMUNITY DEVELOPMENT ADMINISTRATION
MARYLAND DEPARTMENT OF HOUSING AND
COMMUNITY DEVELOPMENT
Multi-Family Mortgage Revenue Bonds

$4,105,000 **Series 2010 C (Non-AMT)** **(New Issue)**	**$5,410,000** **Series 2009 A-3 (Non-AMT)** **(Not Offered Hereby)**

INTRODUCTION

The following is a summary of certain information contained in this Official Statement, to which reference should be made for a complete statement thereof. The Bonds are offered to potential investors only by means of this entire Official Statement, including the cover page, the inside cover page, this introductory statement and the Appendices hereto. The purpose of this Official Statement, which includes the cover page, the inside cover page and Appendices hereto, 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 State of Maryland (the "State"), of its Multi-Family Mortgage Revenue Bonds, Series 2010 C (the "Series 2010 C Bonds"). Additionally, this Official Statement is furnished to provide certain information relating to the conversion and re-designation of a portion of the Administration's Multi-Family Mortgage Revenue Bonds, Series 2009 A (the "Series 2009 A Bonds") as the Multi-Family Mortgage Revenue Bonds, Series 2009 A-3 (the "Series 2009 A-3 Bonds," and together with the Series 2010 C Bonds, the "Bonds"). Capitalized terms used but not defined in this Official Statement have the meanings ascribed to them as set forth under Appendix A – "DEFINITIONS OF CERTAIN TERMS."

General

The Administration has agreed to issue and deliver the Series 2010 C Bonds and to deliver the Series 2009 A-3 Bonds pursuant to (a) Sections 4-101 through 4-255 of the Housing and Community Development Article of the Annotated Code of Maryland, as amended (the "Act"), (b) a Resolution Providing for the Issuance of Multi-Family Mortgage Revenue Bonds adopted by the Administration as of December 1, 2009 (the "Bond Resolution"), (c) a Series Resolution Providing for the Issuance and Sale of Multi-Family Mortgage Revenue Bonds, adopted as of December 1, 2009, as amended (the "Series Resolution") and (d) a Supplemental Series Resolution Providing for the Delivery of $5,410,000 Principal Amount of Multi-Family Mortgage Revenue Bonds, Series 2009 A-3 and Providing for the Issuance and Delivery of $4,105,000 Principal Amount of Multi-Family Mortgage Revenue Bonds, Series 2010 C, adopted as of September 1, 2010 (the "Supplemental Resolution," and together with the Bond Resolution and the Series Resolution, the "Resolutions").

A portion of the proceeds of the Series 2009 A Bonds in the amount of $5,410,000 (the "Released Proceeds") is being released on September 29, 2010□ (the "Release Date"), and the portion of the Series 2009 A Bonds allocable to the Released Proceeds is being re-designated as the Series 2009 A-3 Bonds pursuant to the Resolutions. Manufacturers and Traders Trust Company, a New York banking corporation with trust powers and having a corporate trust office in Baltimore, Maryland, is the trustee (the "Trustee"). The Trustee has not participated in the preparation of this Official Statement.

The Administration will use the proceeds of the Bonds to make a mortgage loan (the "Bond Mortgage Loan") to Poppleton Partners II, L.P., a Maryland limited partnership (the "Borrower"), to finance a portion of the cost of the acquisition, rehabilitation, construction and equipping of a multifamily residential rental housing development located in Baltimore City, Maryland known as Poppleton Phase II Apartments (the "Project"). See "THE BORROWER AND THE PROJECT."

The Bond Mortgage Loan will be made pursuant to the Financing Agreement dated as of September 1, 2010 (the "Financing Agreement"), among the Administration, the Trustee and the Borrower, and will be evidenced by a non-recourse Bond Mortgage Note dated September 29, 2010 (together with all riders and addenda thereto) (the "Bond Mortgage Note"), executed by the Borrower in favor of the Administration and secured by a first lien Multifamily Deed of Trust, Assignment of Rents and Security Agreement dated as of September 1, 2010 (the "Bond Mortgage"), executed by the Borrower in favor of the Administration and Freddie Mac, as their interests may appear, with respect to the Project. The Administration will assign the Bond Mortgage Note and its interests in the Bond Mortgage (except in its case, its Unassigned Rights) to the Trustee. Payments on the Bond Mortgage Loan will be made by the Borrower to Prudential Affordable Mortgage Company (the "Servicer") for the benefit of the Trustee. The principal amount and payment provisions of the Bond Mortgage Note have been established and structured so that (a) the aggregate principal amount of the Bond Mortgage Note will not be less than the aggregate principal amount of Outstanding Bonds; (b) the interest payable on the Bond Mortgage Note will not be less than the interest payable on the Outstanding Bonds; and (c) the required payments under the Bond Mortgage Note will be timely and sufficient in amount to make the payments due to the Bondholders on the Outstanding Bonds.

On the Delivery Date, the Administration will assign the Financing Agreement (except for the Administration's Unassigned Rights) to the Trustee for the benefit of the registered owners of the Bonds. In addition to the other security provided under the Supplemental Resolution, the required payments under the Bond Mortgage Note will be secured by Guaranteed Payments (as defined herein) under a direct pay Credit Enhancement Agreement dated as of September 1, 2010 (the "Credit Enhancement Agreement" or "Credit Facility"), between the Federal Home Loan Mortgage Corporation ("Freddie Mac" or "Credit Facility Provider") and the Trustee. The form of the Credit Enhancement Agreement is attached hereto as Appendix C. The obligation of the Borrower to reimburse Freddie Mac for funds provided by Freddie Mac pursuant to the Credit Enhancement Agreement is established by the terms and conditions of a Reimbursement and Security Agreement dated as of September 1, 2010 (the "Reimbursement Agreement"), by and between the Borrower and Freddie Mac. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - The Credit Enhancement Agreement," "SUMMARY OF CERTAIN PROVISIONS OF THE REIMBURSEMENT AGREEMENT" and Appendix C – "FORM OF CREDIT ENHANCEMENT AGREEMENT."

Under the Credit Enhancement Agreement, subject to certain requirements set forth therein, on any Interest Payment Date, or any date Bonds are called for optional or mandatory redemption, and on the maturity date of the Bond Mortgage Note, Freddie Mac is required to pay the Guaranteed Payment and the Purchase Price on such Bonds. See "THE BONDS," Appendix A – "DEFINITIONS OF CERTAIN TERMS" and Appendix C – "FORM OF CREDIT ENHANCEMENT AGREEMENT."

So long as Freddie Mac is not in default in its payment obligations under the Credit Enhancement Agreement, Freddie Mac shall control and shall have the right to exercise the Mortgage Rights (as defined in the Intercreditor Agreement) and Freddie Mac may direct the Trustee to assign the Trustee's interests in the Bond Mortgage Loan, including the Bond Mortgage Note, the Bond Mortgage and the other Bond Mortgage Loan Documents, to Freddie Mac at any time.

Pursuant to an Assignment and Intercreditor Agreement dated as of September 1, 2010 (the "Intercreditor Agreement") among the Administration, the Trustee, Bank of America, N.A. (the "Construction Phase Credit Facility Provider"), and Freddie Mac with respect to the Bonds, neither the Trustee nor the Bondholders will have the right to exercise remedies under the Bond Mortgage while the Credit Enhancement Agreement secures the Bonds and Freddie Mac continues to honor its obligations thereunder. The Borrower is delivering the Bond Mortgage to Freddie Mac to secure its obligations under the Reimbursement Agreement. So long as Freddie Mac is not in default in its payment obligations under the Credit Enhancement Agreement, Freddie Mac will control and will have the right to exercise the remedies under the Bond Mortgage and Freddie Mac may direct the Trustee to assign the Trustee's interests in the Bond Mortgage Loan, including the Bond Mortgage Note, the Bond Mortgage and the other Bond Mortgage Loan Documents to Freddie Mac at any time.

Pursuant to the Supplemental Resolution, prior to the Loan Conversion Date, and subject to the applicable terms and conditions of the Construction Phase Financing Agreement, the Construction Phase Credit Facility Provider may, by assignment from Freddie Mac, succeed to the interests of Freddie Mac under the Bond Documents and the Bond Mortgage Loan Documents with the authority to exercise the rights otherwise granted to Freddie Mac under the Bond Documents and the Bond Mortgage Loan Documents, subject, however, to certain rights of Freddie Mac under the Supplemental Resolution.

The Construction Phase Credit Facility Provider will provide two irrevocable standby letters of credit to Freddie Mac, dated as of the Delivery Date (collectively, the "Construction Phase Credit Facility"), to secure the reimbursement obligations of the Borrower to Freddie Mac during the Construction Phase. To evidence the Borrower's reimbursement obligations to the Construction Phase Credit Facility Provider for draws made under the Construction Phase Credit Facility, the Borrower and the Construction Phase Credit Facility Provider will enter into a Reimbursement and Security Agreement dated as of September 1, 2010 (the "Construction Phase Credit Reimbursement Agreement"). The Borrower's obligation to the Construction Phase Credit Facility Provider under the Construction Phase Credit Reimbursement Agreement will be secured under a second lien Multifamily Deed of Trust, Assignment of Rents and Security Agreement. Bondholders will have no rights with respect to and are not third party beneficiaries of the Construction Phase Credit Facility.

Freddie Mac's participation as a credit enhancer will not extend beyond the Construction Phase (as defined in the Construction Phase Financing Agreement dated as of September 1, 2010 (the "Construction Phase Financing Agreement"), by and between Freddie Mac and the Construction Phase Credit Facility Provider), unless the Conditions to Loan Conversion set forth in the Construction Phase Financing Agreement and the Commitment (as defined herein) are satisfied on or prior to September 1, 2012, or such later date as may be approved by Freddie Mac in its sole discretion (the "Forward Commitment Maturity Date"). If the Conditions to Loan Conversion are satisfied on or prior to the Forward Commitment Maturity Date (or, to the extent not satisfied, are waived by Freddie Mac) the Bond Mortgage Loan will convert from the Construction Phase to the Permanent Phase (as each such term is defined in the Construction Phase Financing Agreement) (such an event referred to as the "Loan Conversion"). Upon Loan Conversion, the Credit Enhancement Agreement will continue to secure payments of principal of and interest on the Bond Mortgage Loan (and payments of the Purchase Price of Bonds in connection with any purchase in lieu of redemption thereof) and Freddie Mac will release the Construction Phase Credit Facility. If the Conditions to Loan Conversion are not satisfied prior to the Forward Commitment Maturity Date (or, to the extent not satisfied, are not waived by Freddie Mac), the Bond Mortgage Loan will not convert from the Construction Phase to the Permanent Phase, and the Bonds will be subject to mandatory redemption in whole (or purchase in lieu thereof). See "THE BONDS." Any such mandatory redemption (or purchase) will be at a redemption price equal to the principal amount of the issue of Bonds plus accrued interest to the redemption date. No such redemption (or purchase) will be made at a premium. In the event of such a mandatory redemption in whole, the redemption price is to be paid with funds provided under the Credit Enhancement Agreement. Alternatively, in lieu of such redemption, the Bonds may be purchased by the Trustee for the account of the Construction Phase Credit Facility Provider from amounts advanced under the Credit Enhancement Agreement. In either case, the Bondholders will be required to deliver their Bonds for redemption or purchase.

The Conditions to Loan Conversion include, for example, completion of rehabilitation of the Project substantially in compliance with the approved scope of work and the achievement of certain specified levels of occupancy from the leasing of units in the Project for a specified period of time. No assurance will be given that all of the Conditions to Loan Conversion will be timely satisfied on or prior to the Forward Commitment Maturity Date.

From and after the Loan Conversion, the Borrower is required to make its Bond Mortgage Loan payments to the Servicer. From amounts received from the Borrower, the Servicer is required to (i) reimburse Freddie Mac for amounts paid by Freddie Mac under the Credit Enhancement Agreement and to remit to Freddie Mac the Freddie Mac Credit Enhancement Fee, (ii) remit to the Trustee amounts for deposit to the Administration Fund for certain fees payable to the Trustee, the Rebate Analyst and the Administration and (iii) retain the Servicer's Servicing Fee.

In addition, even if Loan Conversion occurs, no assurance can be given that the principal amount of the Bond Mortgage Loan after Loan Conversion, as finally determined in accordance with the Construction Phase Financing Agreement, will not be less than the original principal amount of the Bond Mortgage Loan. If the principal amount of the Bond Mortgage Loan, as finally determined in accordance with Construction Phase Financing Agreement, is less than the original principal amount of the Bond Mortgage Loan, the principal amount of the Bond Mortgage Loan must, as a Condition to Loan Conversion, be reduced by the Borrower's prepayment of the Bond Mortgage Loan in part (a "Loan Equalization Payment"). Upon such prepayment, a corresponding portion of the principal of Bonds will be subject to mandatory redemption. Any such mandatory redemption will be at a redemption price equal to the principal amount of the Bonds to be redeemed plus accrued interest to the redemption date. No such redemption will be made at a premium. The actual amount of any Loan Equalization Payment will only be determined at Loan Conversion. If such prepayment in part is required as a Condition to Loan Conversion and is not made, Loan Conversion will not occur and the Bonds will be subject to mandatory redemption or purchase in whole, as described above. See also "THE BONDS - Mandatory Redemption" herein.

The Bonds are special obligations of the Administration, payable solely from the Trust Estate pledged therefor under the Supplemental Resolution. The Administration has no taxing power. The Bonds do not constitute a debt of the State of Maryland, any political subdivision thereof, the Administration or the Department, or a pledge of the faith, credit or taxing power of the State, any such political subdivision, the Administration or the Department.

FREDDIE MAC'S OBLIGATIONS WITH RESPECT TO THE BONDS ARE SOLELY AS PROVIDED IN THE CREDIT ENHANCEMENT AGREEMENT. THE OBLIGATIONS OF FREDDIE MAC UNDER THE CREDIT ENHANCEMENT AGREEMENT WILL BE OBLIGATIONS SOLELY OF FREDDIE MAC, A SHAREHOLDER OWNED GOVERNMENT-SPONSORED ENTERPRISE ORGANIZED UNDER THE LAWS OF THE UNITED STATES OF AMERICA. FREDDIE MAC HAS NO OBLIGATION TO PURCHASE, DIRECTLY OR INDIRECTLY, ANY OF THE BONDS, BUT WILL BE OBLIGATED PURSUANT TO THE CREDIT ENHANCEMENT AGREEMENT TO PROVIDE FUNDS TO THE TRUSTEE TO PAY THE PURCHASE PRICE OF THE BONDS UNDER THE CIRCUMSTANCES DESCRIBED HEREIN. THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, OR ANY OTHER AGENCY THEREOF, OR OF FREDDIE MAC,

AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA OR BY FREDDIE MAC.

Non-parity Bond Issues under the Bond Resolution

The Administration previously has issued bonds under the Bond Resolution and expects, simultaneously with the issuance of the Series 2010 C Bonds and the delivery and conversion of the Series 2009 A-3 Bonds, to issue its Multi-Family Mortgage Revenue Bonds, Series 2010 B (the "Series 2010 B Bonds") and to deliver its Multi-Family Mortgage Revenue Bonds, Series 2009 A-2 (the "Series 2009 A-2 Bonds") to finance the loans described in Appendix D hereto, which are Non-parity Loans (as defined below). The Series 2010 B Bonds and the Series 2009 A-2 Bonds and all prior series of bonds issued under the Bond Resolution (the "Non-parity Bonds") are not issued on parity with the Bonds and the proceeds thereof will be used to finance Permitted Mortgage Loans (the "Non-parity Loans"). Proceeds of the Non-parity Bonds, as well as any funds, accounts, investments and other property held by the Trustee as collateral for the Non-parity Bonds are not pledged as security for the Bonds and cannot be applied by the Trustee for the payment of any amounts related to the Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – No Cross-Collateralization" herein. Except where context may require a contrary interpretation, all references to the Bonds in this Official Statement shall refer solely to the Series 2010 C Bonds and the Series 2009 A-3 Bonds and all references herein to any "Bond" or "Bonds" shall be interpreted to exclude Non-parity Bonds.

Compliance with the Code

The Borrower is required to operate the Project in compliance with the Declaration of Restrictive Covenants and Regulatory Agreement dated as of September 1, 2010 (the "Tax Regulatory Agreement"), between the Administration and the Borrower. The Tax Regulatory Agreement contains certain representations, warranties and covenants concerning the operation of the Project. A failure to comply with certain of these requirements of the Tax Regulatory Agreement could result in the loss of the federal tax exemption on the Bonds retroactive to their date of issuance. See "TAX MATTERS" and "SUMMARY OF THE TAX REGULATORY AGREEMENT."

Brief descriptions of the Administration, the sources of payment for the Bonds, the Bonds, the Project, the Borrower, the Servicer, Freddie Mac and a general summary of the Supplemental Resolution, the Financing Agreement, the Tax Regulatory Agreement, the Intercreditor Agreement and the Reimbursement Agreement are included in this Official Statement. The Credit Enhancement Agreement is attached hereto as Appendix C. All references herein to the Supplemental Resolution, the Financing Agreement, the Credit Enhancement Agreement, the Tax Regulatory Agreement, the Intercreditor Agreement, the Reimbursement Agreement and all other documents and agreements are qualified in their entirety by reference to such documents and agreements, and all references to the Bonds are qualified by reference to the form thereof included in the Supplemental Resolution, copies of which are available for inspection at the principal office of the Trustee.

THE ISSUER

The Administration is a unit of the Division of Development Finance of the Department of Housing and Community Development (the "Department"), which is a principal department of the State.

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

General Information

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

The Secretary 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. The Department consists of five divisions: the Division of Development Finance, the Division of Credit Assurance, the Division of Finance and Administration, the Division of Neighborhood Revitalization, and the Division of Information Technology.

The Division of Development Finance is the lending and bond issuing division of the Department, originating loans under the Department’s various lending programs and providing underwriting services for loans to the Department and its other divisions and units. The Administration is a unit within the Division of Development Finance.

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

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

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

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

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

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

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

Limited Involvement of the Administration

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

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

THE NEW ISSUE BOND PROGRAM

The Administration issued $92,040,000 aggregate principal amount of Series 2009 A Bonds as escrow bonds under the Multifamily New Issue Bond Program (the "NIBP Program") announced by the United States Department of the Treasury ("Treasury"), Fannie Mae and Freddie Mac. The Series 2009 A Bonds were purchased by Fannie Mae and Freddie Mac (the "Purchasers" or the "GSEs") pursuant to the NIBP Program, the Bond Resolution and the Series Resolution. Proceeds derived from the sale of the Series 2009 A Bonds in an amount equal to $92,040,000 were deposited in the Series 2009 A Escrow Account of the Series 2009 A Account of the Bond Proceeds Fund established by the Series Resolution. Under the NIBP Program, the Purchasers exchanged the Series 2009 A Bonds for securities issued by the Purchasers ("GSE Securities") backed by the Series 2009 A Bonds, which securities were then purchased by the Treasury. Such GSE Securities are not part of the security for the Series 2009 A Bonds. The Series 2009 A Bonds bear interest at a short term variable rate and the interest rate calculation method may be converted in up to six tranches prior to December 31, 2011.

The release of amounts held in the 2009 Series A Escrow Account to become available to make Loans depends upon compliance with various conditions set forth in agreements between the Administration and the Purchasers and in the Bond Resolution and the Series Resolution. The Administration previously has released proceeds of the Series 2009 A Bonds in the amount of $24,380,000 from the Series 2009 A Escrow Account. Upon the satisfaction of the conditions precedent to the release of funds from the Series 2009 A Escrow Account, the Administration expects to release the Released Proceeds from the Series 2009 A Escrow Account on the Release Date. A portion of the Series 2009 A Bonds corresponding to the Released Proceeds will be converted and re-designated as the Series 2009 A-3 Bonds on the Release Date. Simultaneously with the release of the Released Proceeds from the Series 2009 A Escrow Account, the Administration expects to convert and re-designate an additional portion of the Series 2009 A Bonds, in the amount of $6,610,000, as Series 2009 A-2 Bonds on the Release Date.

THE BONDS

General

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

So long as Cede & Co. is the registered owner of the Bonds, all payments of the principal, or the redemption price of or interest on the Bonds are payable by the Trustee in same day funds, to Cede & Co., as nominee for DTC. DTC will, in turn, remit such amounts to the DTC Participants (as defined herein) for subsequent disbursement to the beneficial owners. See "THE BONDS — Book Entry Only System."

The Bonds will be issued in the minimum denomination of 5,000 and integral multiples thereof and, for purposes of the release and conversion and redemption of the Series 2009 A-3 Bonds, $10,000 or any integral multiple of $10,000 in excess thereof. The Bonds will be dated the Delivery Date and will mature on the dates set forth on the inside cover page of this Official Statement.

The Series 2010 C Bonds will bear interest at the rate per annum and shall mature, subject to redemption prior to maturity as provided under "THE BONDS," on September 1, 2013. Interest on the Series 2010 C Bonds is payable on (a) January 1, and July 1 of each year, commencing January 1, 2011 and (b) for Series 2010 C Bonds subject to redemption but only with respect to such Series 2010 C Bonds, the date of redemption (or purchase in lieu of redemption). Interest on the Series 2010 C Bonds shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

The Series 2009 A-3 Bonds will bear interest at the Short-Term Rate from the Release Date to, but not including, the Permanent Rate Conversion Date and thereafter at the Permanent Rate and will mature, subject to redemption prior to maturity as provided under "THE BONDS," on January 1, 2044. Interest on the Series 2009 A-3 Bonds, following the payment of interest due on the Release Date, is payable on (a) November 29, 2010 and January 1 and July 1 of each year, commencing January 1, 2011 and (b) for Series 2009 A-3 Bonds subject to redemption but only with respect to such Series 2009 A-3 Bonds, the date of redemption (or purchase in lieu of redemption). Interest on the Series 2009 A-3 Bonds shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

Payment of principal of, premium, if any, and interest on the Bonds will be paid by check mailed on the Interest Payment Date to the registered Owner thereof at such registered Owner's address as it appears on the Bond Register on the Record Date. Upon written request of a registered Owner of at least $1,000,000 in principal amount of Bonds Outstanding received by the Trustee at least five (5) Business Days prior to a Record Date, all payments of principal, premium, if any, and interest on the Bonds, less any reasonable wire transfer fees imposed by the Trustee, shall be paid by wire transfer in immediately available funds to an account within the United States designated by such registered Owner.

Any interest on any Bond that is due and payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") will cease to be payable to the person in whose name such Bond is registered on the relevant Record Date and will be paid in the manner set forth in this paragraph. The Trustee may elect to make payment of any Defaulted Interest to the Persons in whose names the Bonds (or their respective predecessor Bonds) are registered at the close of business on a special record date for the payment of such Defaulted Interest (a "Special Record Date"), which will be fixed in the following manner. The Trustee will determine the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (a "Special Interest Payment Date"), will fix a Special Record Date for the payment of such Defaulted Interest which will be not more than 15 nor less than 10 days prior to the Special Interest Payment Date and will cause notice of the proposed payment of such Defaulted Interest on the Special Interest Payment Date and the Special Record Date therefor to be mailed, first class, postage prepaid, to each Bondholder at such Bondholder's address as it appears in the Bond Register not less than 10 days prior to such Special Record Date; notice of the proposed payment of such Defaulted Interest on the Special Interest Payment Date and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest will be paid to the Persons in whose names the Bonds (or their respective predecessor Bonds) are registered on such Special Record Date.

Any Bond may be transferred only upon an assignment duly executed by the registered owner or his or her duly authorized representative in such form as shall be satisfactory to the Bond Registrar and upon surrender of such Bond to the Trustee for cancellation. Any Bond may be exchanged at the office of the Trustee for a new fully registered Bond or Bonds, of the same maturity and of any Authorized Denomination or Denominations, for the aggregate amount of such Bond then Outstanding. In all cases in which Bonds shall be transferred or exchanged, the Trustee may make a charge for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange. The Person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of or on account of the principal of and premium, if any, and interest on any such Bond shall be made only to or upon the order of the registered Owner thereof, or such registered Owner's legal representative, and neither the Administration nor the Trustee shall be affected by any notice to the contrary. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums to be paid. Neither the Administration nor the Trustee shall be required to transfer or exchange Bonds during the period of 15 days immediately preceding an Interest Payment Date if the Bonds bear interest at the Reset Rate or the Fixed Rate or during the period of 15 days immediately preceding the selection of Bonds for redemption and after the giving of notice of redemption, the Trustee is not required to transfer or exchange any Bond or portion thereof which has been called for redemption.

Book Entry Only System

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

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

Optional Redemption

Series 2010 C Bonds. The Series 2010 C Bonds are not subject to optional redemption.

Series 2009 A-3 Bonds. The Series 2009 A-3 Bonds are subject to optional redemption by the Administration from payments made under the Credit Facility or with other Eligible Funds deposited with the Trustee, at the written direction of the Administration, with the prior written consent of the Credit Facility Provider, in whole or in part, upon optional prepayments on the Series 2009 A-3 Bond Mortgage Loan in accordance with the prepayment restrictions set forth in the Bond Mortgage Note and the

Financing Agreement on the first Business Day of any calendar month, at the redemption price of 100% of the principal amount thereof plus accrued interest, if any, to the redemption date.

The Trustee shall effect a redemption of Bonds as described above at the earliest practical date for which notice may be given hereunder but in no event later than 35 days following its receipt of money representing an optional prepayment of the Bond Mortgage Loan.

Special Purchase in Lieu of Redemption. While the Bonds are registered in the name of the Construction Phase Credit Facility Provider as a result of a Special Purchase of the Bonds under "THE BONDS – Special Purchase in Lieu of Redemption" hereof, the Bonds are subject to redemption in whole or in part on any date, at the option of the Construction Phase Credit Facility Provider, at the written direction of the Administration, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date, without premium, from any money acceptable to the Construction Phase Credit Facility Provider deposited with the Trustee.

Mandatory Redemption

The Bonds are subject to mandatory redemption in Authorized Denominations on any Business Day (except as provided in subparagraph (d) below), in whole or in part as indicated below, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date, without premium, at the earliest practicable date from payments made under the Credit Facility upon the occurrence of any of the following:

(a) in whole or in part, upon receipt by the Trustee of (1) proceeds of a draw under the Credit Facility, in the amount of Net Proceeds representing casualty insurance proceeds or condemnation awards paid as a prepayment of the Bond Mortgage Loan, such amount to be applied to reimburse the Credit Facility Provider for the draw under the Credit Facility as a result of casualty or condemnation of the Project and (2) a written direction by the Credit Facility Provider (with the consent of the Construction Phase Credit Facility Provider) to redeem such Bonds using money obtained as a result of a draw upon the Credit Facility; or

(b) in whole or in part, upon receipt by the Trustee of amounts from the Credit Facility Provider pursuant to the Credit Facility as a result of the occurrence of an event of default under any Bond Mortgage Loan Document and receipt by the Trustee of a written direction by the Administration (given at the written direction of the Credit Facility Provider to the Administration) (with the consent of the Construction Phase Credit Facility Provider) to redeem the Bonds pursuant to the Credit Facility; or

(c) in whole on the last Business Day which is not less than five (5) days before the date of expiration of the Credit Facility (as of the Delivery Date, the stated expiration date of the Credit Facility is March 6, 2043); or

(d) in part, as provided in under "THE BONDS – Mandatory Sinking Fund Redemption" herein; or

(e) with respect to the Series 2010 C Bonds, in whole, at the written direction of the Credit Facility Provider on the Loan Conversion Date; or

(f) with respect to the Series 2009 A-3 Bonds, in part, at the written direction of the Credit Facility Provider, in the event the Borrower elects to make a Loan Equalization Payment in an amount equal to the Loan Differential pursuant to the Construction Phase Financing Agreement; or

(g) in part, to the extent amounts remaining in the Project Account of the Bond Mortgage Loan Fund are transferred to the Redemption Fund as described under "SUMMARY OF THE Supplemental Resolution – Revenue Fund"; or

(h) in whole, upon receipt by the Trustee of a written direction by the Administration (given at the written direction of the Credit Facility Provider to the Administration) to redeem the Bonds pursuant to the Credit Facility as a result of the occurrence of a Borrower Default, a Construction Lender Default (provided that no substitute construction lender is substituted in the place and stead of the Construction Phase Credit Facility Provider pursuant to the Construction Phase Financing Agreement) or a Direction to Draw; or

(i) in whole, at the written direction of the Credit Facility Provider, on or after the Forward Commitment Maturity Date, if the Notice of Loan Conversion is not issued by the Servicer prior to the Forward Commitment Maturity Date.

Mandatory Sinking Fund Redemption

The Bonds are subject to mandatory sinking fund redemption on each January 1 or July 1, commencing January 1, 2015, in Authorized Denominations in an amount not greater than the amount on deposit in the Credit Facility Principal Reimbursement Account on the first day of the month immediately preceding such Interest Payment Date.

Notice of Redemption

Notice of the intended redemption of each Bond shall be given by the Trustee by first class mail, postage prepaid, or by facsimile transmission, to the registered Owner at the address of such Owner shown on the Bond Register and, as required by the Bond Resolution, by facsimile or Electronic Notice to the Notice Parties (as defined in Appendix A). All such redemption notices shall be given not less than ten (10) days (not less than twenty (20) days when Bonds are held by DTC and not less than thirty (30) days in the case of optional or mandatory sinking fund redemptions) nor more than sixty (60) days prior to the date fixed for redemption. If the Bonds are no longer held in book-entry form, a second notice of the redemption will be sent by the Trustee not less than 10 days before the Redemption Date to the registered owners of any Bonds which are to be redeemed, at their last address appearing upon the registration books, but such mailing is not a condition precedent to such redemption and failure to so mail any such notice will not affect the validity of the proceedings for the redemption of Bonds. The Trustee may provide a conditional notice of redemption upon the direction of the Administration given at the direction of the Credit Facility Provider or the Borrower (with the prior written consent of the Administration, the Credit Facility Provider and the Construction Phase Credit Facility Provider).

Notices of redemption shall state the redemption date and the redemption price, the place or places where amounts due upon such redemption will be payable, and, if less than all of the then Outstanding Bonds are called for redemption, shall state (i) the numbers of the Bonds to be redeemed by giving the individual certificate number of each Bond to be redeemed or shall state that all Bonds between two stated certificate numbers, both inclusive, are to be redeemed or that all of the Bonds of one or more maturities have been called for redemption only if bonds cease to be book entry bonds; (ii) the CUSIP numbers of all Bonds being redeemed if available; (iii) the amount of each Bond being redeemed (in the case of a partial redemption); (iv) the date of issue of the Bond as originally issued; (v) the rate of interest borne by each Bond redeemed; (vi) the maturity date of each Bond being redeemed; (vii) the possibility of a purchase of Bonds in lieu of redemption, if applicable; (viii) the conditions, if any, which must be satisfied in order for the redemption to take place on the scheduled date of redemption, including, as provided in Section 3.01(a), that Eligible Funds are available to pay any redemption premium or the redemption price, as and if applicable, on the Bonds; and (ix) any other descriptive information needed to identify accurately the Bonds being redeemed.

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

Notice of such redemption shall also be sent by first class mail, overnight delivery service, facsimile transmission or other secure means, postage prepaid, to the Credit Facility Provider, to the Servicer, to the Construction Phase Credit Facility Provider, to the Rating Agency, to all of the Securities Depositories and to at least two of the Information Services that disseminate securities redemption notices, when possible, at least two (2) Business Days prior to the mailing of notices required by the first paragraph above, and in any event no later than simultaneously with the mailing of notices required by the first paragraph above; provided, that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Bonds.

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

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

Effect of Notice of Redemption

If a conditional notice of redemption has been provided pursuant to the terms of the Supplemental Resolution and the conditions are not satisfied, such notice of redemption will be of no force and effect and the Bondholders will be restored to their former positions as though no such notice of redemption had been delivered. Notice of redemption having been given in the manner provided in the Supplemental Resolution and if either there were no conditions to such redemption or the conditions have been satisfied (or in the event no such notice is required under the Supplemental Resolution), and money for the redemption being held by the Trustee or Paying Agent for that purpose, thereupon the Bonds so called for redemption will become due and payable on the redemption date, and interest thereon will cease to accrue on such date; and such Bonds will thereafter no longer be entitled to any security or benefit under the Supplemental Resolution except to receive payment of the redemption price thereof.

Purchase of Bonds in Whole in Lieu of Redemption

Notwithstanding anything in the Supplemental Resolution to the contrary but subject to the terms of the Supplemental Resolution described under "THE BONDS – Special Purchase In Lieu of Redemption" at any time during which the Bonds are subject to redemption in whole pursuant to the provisions of the Supplemental Resolution, all (but not less than all) of the Bonds to be redeemed may be purchased by the Trustee (for the account of the Borrower or the Credit Facility Provider or their respective designees, as directed by such party) on the date which would be the redemption date at the written direction of the Credit Facility Provider or the Borrower, with the prior written consent of the Credit Facility Provider and shall be given no later than 12:00 noon, Washington, D.C. time, one Business day prior to such redemption date, at a purchase price equal to the redemption price which would have been applicable to such Bonds on the redemption date. The Bonds shall be purchased in lieu of redemption only from amounts provided by the Credit Facility Provider or from other Eligible Funds, in that order of priority. In the event the Trustee is so directed to purchase Bonds in lieu of redemption, no notice to the holders of the Bonds to be so purchased (other than the notice of redemption otherwise required under the Supplemental Resolution) shall be required, and the Trustee shall be authorized to apply to such purpose the funds in the Redemption Fund which would have been used to pay the redemption price for such Bonds if such Bonds had been redeemed rather than purchased. Such Bonds so purchased for the account of the Borrower shall for all purposes under the Supplemental Resolution constitute Purchased Bonds held by the Custodian pursuant to the Pledge Agreement.

In addition, with prior written consent of the Administration, the Credit Facility Provider will have the right to transfer the Purchased Bonds (without reinstatement of the then existing Credit Facility) only to a single Bondholder which has provided the Trustee with an investment letter in accordance with the Supplemental Resolution, provided that an opinion of Bond Counsel is delivered to the Trustee to the effect that such transfer will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds. Such Purchased Bonds shall not be transferred unless and until the Credit Facility is reinstated, and the Bonds are then rated in one of the two highest rating categories of the Rating Agencies without regard to modifiers, except to a single Bondholder which has provided the Trustee with an investment letter in the form attached to the Supplemental Resolution, and if not remarketed or transferred as provided herein, shall be redeemed and cancelled automatically by the Trustee on the date which is two (2) years from the date of purchase unless an opinion of Bond Counsel is delivered to the Trustee to the effect that not redeeming and canceling such Purchased Bonds will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds. Any purchase of Bonds under the Supplemental Resolution is not intended as an extinguishment of the debt represented by the Bonds.

Special Purchase in Lieu of Redemption

If all Bonds Outstanding are called for redemption in whole under paragraphs (b), (h) or (i) under "THE BONDS – Mandatory Redemption" at any time that the Construction Phase Credit Facility is in effect, the Bonds may, in lieu of such redemption, be purchased ("Special Purchase Bonds") by the Trustee, at the written direction of the Construction Phase Credit Facility Provider to the Trustee, for the account of the Construction Phase Credit Facility Provider, so long as the Construction Phase Credit Facility Provider has fully and timely honored, and has paid the Credit Facility Provider the full amount drawn by the Credit Facility Provider under, the Construction Phase Credit Facility. Any such purchase of Bonds shall be in whole and not in part. Such purchase shall be made on the date the Bonds are otherwise scheduled to be redeemed (the "Special Purchase Date"). The purchase price of the Special Purchase Bonds (the "Special Purchase Price") shall be equal to the principal amount of the Special Purchase Bonds, plus accrued interest, if any, on the Special Purchase Bonds to the Special Purchase

Date. The payment source shall consist solely of funds to be advanced by the Credit Facility Provider under the Credit Facility.

Bonds to be purchased as described in the preceding paragraph which are not delivered to the Trustee on the Special Purchase Date shall be deemed to have been so purchased and not redeemed on the Special Purchase Date and shall cease to accrue interest as to the former owner on the Special Purchase Date. Special Purchase Bonds shall be registered in the name of the Construction Phase Credit Facility Provider or any subsidiary of the Construction Phase Credit Facility Provider designated by the Construction Phase Credit Facility Provider and shall be delivered to the Construction Phase Credit Facility Provider or any subsidiary of the Construction Phase Credit Facility Provider designated by the Construction Phase Credit Facility Provider. Following such purchase, the registered owner of the Special Purchase Bonds shall be the owner of such Bonds for all purposes under this Supplemental Resolution and interest accruing on such Bonds from and after the Special Purchase Date shall be payable solely to the registered owner of the Special Purchase Bonds.

Notice of the election by the Construction Phase Credit Facility Provider to purchase Bonds otherwise called for redemption shall be delivered in writing to the Trustee, the Credit Facility Provider, the Servicer and the Rating Agency not less than one (1) Business Day prior to the date otherwise scheduled for redemption of the Bonds. In the event the Trustee is so directed to purchase Bonds in lieu of redemption, no notice to the holders of the Bonds to be so purchased (other than the notice of redemption otherwise required hereunder) shall be required, and the Trustee shall be authorized to apply to such purpose the funds in the Redemption Account which would have been used to pay the redemption price for such Bonds if such Bonds had been redeemed rather than purchased.

The Trustee shall proceed to take such action as is required under the Credit Facility to receive payments from the Credit Facility Provider under the Credit Facility as if the Special Purchase Bonds were to be redeemed as described in paragraphs (b), (h) or (i) under "THE BONDS – Mandatory Redemption" in order to pay the Special Purchase Price of the Bonds on the Special Purchase Date.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Trust Estate

Under the Supplemental Resolution, the Administration grants to the Trustee a security interest in the following property described below in (a) through (c) to secure the Bonds (said property being referred to in the Supplemental Resolution as the "Trust Estate") in order to secure the payment of principal of, premium, if any, and interest on the Bonds according to their tenor and effect, the payment to the Credit Facility Provider for amounts owed under the Reimbursement Agreement, and the performance and observance by the Administration of all the covenants expressed or implied in the Supplemental Resolution and in the Bonds:

(a) all right, title and interest of the Administration in and to all Revenues;

(b) all right, title and interest of the Administration in and to the Financing Agreement, the Bond Mortgage Note, the Bond Mortgage and the Credit Facility (other than the Unassigned Rights), including all extensions and renewals of the terms thereof, if any, including, but without limiting the generality of the foregoing, the present and continuing right to receive, receipt for, collect or make claim for any of the money, income, revenues, issues, profits and other amounts payable or receivable thereunder (including all casualty insurance benefits or condemnation awards subject to the interest of the Credit Facility Provider under the Reimbursement Agreement and the Intercreditor Agreement), whether payable under the above referenced documents or otherwise, to bring actions and proceedings thereunder or for the enforcement thereof, and to do any and all things which the Administration or any other person is or may become entitled to do under said documents; and

(c) except amounts in the Costs of Issuance Fund, the Administration Fund, the Bond Mortgage, the Credit Facility Reimbursement Fund and the Rebate Fund, all funds, money and securities and any and all other rights and interests in property whether tangible or intangible from time to time hereafter by delivery or by writing of any kind, conveyed, mortgaged, pledged, assigned or transferred as and for additional security under the Supplemental Resolution for the Bonds by the Administration or by anyone on its behalf or with its written consent to the Trustee, which is authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms of the Supplemental Resolution.

Limited Obligations

The Bonds are special obligations of the Administration, payable solely from the Trust Estate pledged therefor under the Supplemental Resolution. The Administration has no taxing power. The Bonds do not constitute a debt of the State of Maryland, any political subdivision thereof, the Administration or the Department, or a pledge of the faith, credit or taxing power of the State, any such political subdivision, the Administration or the Department.

THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, OR ANY OTHER AGENCY THEREOF, OR OF FREDDIE MAC, AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA OR BY FREDDIE MAC. PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BOND SIS NOT GUARANTEED BY FREDDIE MAC. THE OBLIGATIONS OF FREDDIE MAC UNDER THE CREDIT ENHANCEMENT AGREEMENT ARE OBLIGATIONS SOLELY OF FREDDIE MAC AND ARE NOT BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA.

The Credit Enhancement Agreement

To provide the primary security for the Bonds, Freddie Mac will enter into the Credit Enhancement Agreement with the Trustee. See “FREDDIE MAC” and Appendix C – “FORM OF CREDIT ENHANCEMENT AGREEMENT.” Pursuant to the Credit Enhancement Agreement, subject to certain requirements set forth therein, Freddie Mac is required to pay Guaranteed Payments with respect to the Bond Mortgage Loan when and in the amounts due, and the Purchase Price of the Bonds in accordance with the terms of the Supplemental Resolution.

No Right to General Bond Reserve Fund

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

No Cross-Collateralization

The Bond Resolution permits the Administration to exclude all moneys deposited into any fund or account with respect to any Series under the Bond Resolution from the pledge of the Bond Resolution securing payment of the bonds of any Series or Subseries thereof, Parity Obligations or Subordinate Contract Obligations (all such terms as defined in the Bond Resolution) or to limit such pledge, all as provided in a series resolution executed in connection with the issuance of such Series or Subseries thereof. Accordingly, notwithstanding anything to the contrary set forth in the Bond Resolution or the Series Resolution, on and after the effective date of the Supplemental Resolution all funds, accounts, investments and other property held by or pledged to the Trustee as security for the Series 2009 A-3 Bonds and the Series 2010 C Bonds will serve as collateral for the payment of debt service, fees and expenses solely for the Series 2009 A-3 Bonds and the Series 2010 C Bonds. No other series resolution will be cross-collateralized with the Supplemental Resolution and a default under any other series resolution or supplemental series resolution or the Bond Resolution (to the extent such default is unrelated to the Series 2009 A-3 Bonds and the Series 2010 C Bonds) shall not be the cause of a default under the Supplemental Resolution.

ESTIMATED SOURCES AND USES OF FUNDS

The sources of funds and the uses thereof in connection with the issuance of the Bonds are expected to be approximately as set forth below:

Sources	
Bond Proceeds	$9,515,000
Total Sources	$9,515,000
Uses	
Bond Mortgage Loan Fund	$9,515,000
Total Uses	$9,515,000

FREDDIE MAC

The information presented under this caption "FREDDIE MAC" has been supplied by Freddie Mac. The Administration, the Trustee, the Borrower and the Underwriters have not independently verified such information, and none assumes responsibility for the accuracy of such information. The information is qualified in its entirety by reference to the Incorporated Documents, as defined below.

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

Freddie Mac's principal business consists of the purchase of (i) first-lien, conventional residential mortgages subject to certain maximum loan limits and other underwriting requirements under the Freddie Mac Act and (ii) securities backed by such mortgages. Freddie Mac finances its mortgage purchases and mortgage-backed securities purchases through the issuance of a variety of securities, primarily pass-through mortgage participation certificates and unsecured debt, as well as with cash and equity capital.

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

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

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

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

Freddie Mac makes no representations as to the contents of this Official Statement, the suitability of the Bonds for any investor, the feasibility of performance of any project, or compliance with any securities, tax or other laws or regulations. Freddie Mac's role is limited to discharging its obligations under the Credit Enhancement Agreement.

FREDDIE MAC'S OBLIGATIONS WITH RESPECT TO THE BONDS ARE SOLELY AS PROVIDED IN THE CREDIT ENHANCEMENT AGREEMENT. THE OBLIGATIONS OF FREDDIE MAC UNDER THE CREDIT ENHANCEMENT AGREEMENT WILL BE OBLIGATIONS SOLELY OF FREDDIE MAC, A SHAREHOLDER OWNED, GOVERNMENT SPONSORED ENTERPRISE ORGANIZED UNDER THE LAWS OF THE UNITED STATES OF AMERICA. FREDDIE MAC HAS NO OBLIGATION TO PURCHASE, DIRECTLY OR INDIRECTLY, ANY OF THE BONDS, BUT WILL BE OBLIGATED, PURSUANT TO THE CREDIT ENHANCEMENT AGREEMENT, TO PROVIDE FUNDS TO THE TRUSTEE TO PAY THE PURCHASE PRICE OF THE BONDS UNDER THE CIRCUMSTANCES DESCRIBED THEREIN. THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, ANY AGENCY THEREOF, OR OF FREDDIE MAC, AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA OR BY FREDDIE MAC.

THE FREDDIE MAC REIMBURSEMENT AGREEMENT

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

Capitalized terms used under this heading and not defined hereunder or elsewhere in this Official Statement will have the meanings assigned thereto in the Reimbursement Agreement.

The obligations of the Borrower to Freddie Mac under the Credit Enhancement Agreement will be evidenced by the Reimbursement Agreement. Under the Reimbursement Agreement, the Borrower will be obligated to repay Freddie Mac all sums of money Freddie Mac has advanced to the Trustee under the Credit Enhancement Agreement. The Reimbursement Agreement also provides that the Borrower is to pay the Freddie Mac Credit Enhancement Fee, the Servicing Fee, make scheduled monthly deposits to fund certain reserves (which have been established solely for the benefit of Freddie Mac) and other fees and expenses as provided therein.

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

(i) the Borrower fails to pay when due any amount payable by the Borrower under the Reimbursement Agreement, including, without limitation, any fees, costs or expenses;

(ii) the Borrower fails to perform its obligations under the Reimbursement Agreement relating to maintaining the tax exempt status of the Bonds, maintaining its character as a single purpose entity, amending or modifying its organizational documents without Freddie Mac's consent, dissolving or liquidating in whole or in part, permitting subordinate financings with respect to the Project or prepaying the Bond Mortgage Loan except in accordance with the Reimbursement Agreement;

(iii) the Borrower fails to observe or perform any other term, covenant, condition or agreement set forth in the Reimbursement Agreement, which failure continues for a period of 30 days after notice of such failure by Freddie Mac to the Borrower (unless such default cannot with due diligence be cured within 30 days but can be cured within a reasonable period and will not, in Freddie Mac's sole discretion, adversely affect Freddie Mac or result in impairment of the Reimbursement Agreement, the Bond Mortgage or any other Reimbursement Security Document, in which case no Event of Default shall be deemed to exist so long as Borrower shall have commenced to cure the Event of Default within 30 days after receipt of notice, and thereafter diligently and continuously prosecutes such cure to completion); provided, however, no such notice or grace periods will apply in the case of any such failure which could, in Freddie Mac's judgment, absent immediate exercise by Freddie Mac of a right or remedy under the Reimbursement Agreement, result in harm to Freddie Mac, impairment of the Reimbursement Agreement, the Bond Mortgage or any other Reimbursement Security Document;

(iv) the Borrower fails to observe or perform any other term, covenant, condition or agreement set forth in any of the other Borrower Documents or there otherwise occurs an "Event of Default" under the Bond Mortgage or an event of default under any of the other Borrower Documents (taking into account any applicable cure period);

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

(vi) prior to Loan Conversion, the Trustee draws upon the Credit Enhancement Agreement for any reason other than to make a regularly scheduled payment of interest with respect to the Bond Mortgage Loan or a payment of interest and principal in connection with a Loan Equalization Payment;

(vii) prior to Loan Conversion, Freddie Mac is given a "Direction to Draw" (as defined in the Construction Phase Financing Agreement) by the Construction Phase Credit Facility Provider;

(viii) the occurrence of a "Borrower Default", "Letter of Credit Default" or "Construction Lender Default" (as such terms are defined in the Construction Phase Financing Agreement) prior to Loan Conversion;

(ix) an event of default occurs under the terms of any other indebtedness permitted to be incurred by the Borrower (after taking into account any applicable notice and cure period).

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

Uniform Commercial Code as adopted in the State and any other state in which the filing of a UCC financing statement is necessary to perfect Freddie Mac's security interest), the right of offset, the right to sell the UCC Collateral at public or private sale, and the right to receive distributions to the Borrower.

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

The obligations of the Borrower under the Reimbursement Agreement will be secured by the Bond Mortgage and certain rights of subrogation to the rights of the Bondholders. The rights of Freddie Mac under the Bond Mortgage will be subject to the terms of the Intercreditor Agreement. Bondholders will have no rights under and are not third-party beneficiaries under the Bond Mortgage.

THE BORROWER AND THE PROJECT

The following information concerning the Borrower and the Project has been provided by the Borrower and has not been independently confirmed or verified by the Administration, the Trustee or Freddie Mac. Although the information shown below has been obtained from sources believed to be reliable, no representation is made herein by the Administration, the Trustee or Freddie Mac as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof. The Administration has not independently reviewed the financial feasibility of the Project and makes no representation, direct or indirect, that the Project will be able to generate sufficient income to pay debt service on the Bonds and operating expenses.

The Borrower is Poppleton Partners II, L.P., a Maryland limited partnership that has been formed for the specific purpose of acquiring, owning, constructing, rehabilitating and equipping the Project. As such, the Borrower has not previously engaged in any other business operation and has no historical earnings and has no assets other than its interest in the Project.

The managing general partner of the Borrower is NHTE Poppleton, LLC, a Maryland limited liability company (the "General Partner"), which owns a 0.0019% interest in the Borrower. The General Partner and/or its affiliates or delegates will be responsible for supervising the operations of the Borrower and for overseeing the operation, rehabilitation and management of the Project. The sole member of the General Partner is National Housing Trust/Enterprise Preservation Corporation, a District of Columbia nonprofit corporation. National Housing Development Partners, LLC, a California limited liability company (an affiliate of Poppleton Partners II, LLC, a Maryland limited liability company, and a special class B limited partner of the Borrower) will act as co-developer with National Housing Trust/Enterprise Preservation Corporation.

The initial 99.98% limited partner of the Borrower is Stratford Poppleton Investors Limited Partnership (the "Investor LP"), an Illinois limited partnership. There is one special limited partner and two class b special limited partners of the Borrower as follows: (i) Stratford SLP, Inc., a Delaware corporation, owns a 0.01% interest in the Borrower as the special limited partner, (ii) Poppleton Community Development Corp., a Maryland corporation, owns a 0.0076% interest in the Borrower as a class b special limited partner, and (iii) Poppleton Partners II, LLC, a Maryland limited liability company, owns a 0.0005% interest in the Borrower as a class b special limited partner.

The Project

The Bonds are being issued to fund the Bond Mortgage Loan to the Borrower for the purpose of financing a portion of the costs of acquiring, rehabilitating, constructing, and equipping the Project, a multi-family rental housing development known as Poppleton Apartments II, which will consist of 23 one and two-story buildings comprised of 86 existing units and 25 units to be constructed, located at scattered sites in Baltimore City, Maryland. The level of occupancy of the existing units of the Project as of August 31, 2010 was approximately 69%.

The acquiring, constructing, rehabilitating and equipping of the Project will be financed with the proceeds of (a) the Bond Mortgage Loan, (b) equity contributions made in connection with the syndication of the low-income housing tax credits (currently estimated to be $4,501,099.00), (c) two HUD restructuring loans from the Secretary of Housing and Urban Development, acting by and through the Office of Affordable Housing Preservation in the approximate aggregate principal amount of $6,636,099.05, HUD's interest in which will be assigned to National Housing Trust/Enterprise Preservation Corporation, as a "qualified non profit" under the Office of Affordable Housing Preservation's Mark-to-Market Restructuring Program, (d) a loan from the Maryland Department of Housing and Community Development of the State of Maryland ("DHCD") in the principal amount of $725,000.00 under its Maryland Housing Rehabilitation Program, (e) a loan from the Mayor and City Council of Baltimore, acting by and through the Department of Housing and Community Development (the "City") in the principal amount of $2,950,000.00 under the City's HOME loan program, (f) a combined loan and grant from HUD under its Green Retrofit Program in the amount of $1,499,280.00 and (g) an assumed and amended loan from the City in the principal amount of $1,042,000.00.

Subject to the last sentence of this paragraph, the Borrower intends to rent no less than 40% of the Project's residential rental units to tenants whose annual household incomes are at or below 60% of the area median income for the Project's location ("AMI"), adjusted for family size ("Low Income Units") pursuant to the terms of the Tax Regulatory Agreement. The Borrower also expects to receive rental subsidy from two project-based Section 8 Housing Assistance Payments Contracts with HUD and the Housing Authority of Baltimore City, which, with respect to 96 units, expires 20 years from the Closing Date, and with respect to 15 units, expires 15 years from the completion of construction (collectively, the "HAP Contract").

The construction manager for the Project is Hampstead Development Group. Hamel Builders, Inc. will be the general contractor for construction and rehabilitation of the Project. Edgewood Management Corporation currently manages the Project and will continue to do so following the Delivery Date.

Due to the inherent uncertainty of future events and conditions, including without limitation general interest rate levels, no assurance can be given that revenues generated by the Project will be sufficient to pay debt service on the Bond Mortgage Loan, operating expenses of the Project, credit enhancement fees and fees owed to the Administration. The ability of the Borrower to generate sufficient revenues will be affected by a variety of factors including, but not limited to, the maintenance of a sufficient level of occupancy, the level of rents prevailing in the market, the ability to achieve increases in rent to cover debt service and operating expenses, HUD's annual appropriation of funding for the HAP Contract, the level of operating expenses, project management, adverse changes in applicable laws and regulations, general economic conditions and other factors in the surrounding metropolitan area of the Project. Adverse changes may occur from time to time with respect to any of these factors which may have a negative impact on the occupancy level and rental income of the Project.

THE SERVICER

The following has been provided by the Servicer and none of the Borrower, the Administration, the Underwriters or Freddie Mac, subject to the standard of review found on the inside cover hereof, will assume any responsibility for the accuracy and completeness of such information.

Prudential Affordable Mortgage Company (the "Servicer") will perform mortgage servicing functions with respect to the Bond Mortgage Loan on behalf of and in accordance with Freddie Mac requirements. The servicing arrangements between Freddie Mac and the Servicer for the servicing of the Bond Mortgage Loan are solely between Freddie Mac and the Servicer and neither the Administration nor the Trustee is deemed to be party thereto or has any claim, right, obligation, duty or liability with respect to the servicing of the Bond Mortgage Loan.

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

The selection (or replacement) of the Servicer is in the sole and absolute discretion of Freddie Mac. The servicing arrangements between the Servicer and Freddie Mac are subject to amendment or termination from time to time without the consent of the Administration, the Trustee or the Borrower, and none of the Trustee, the Administration or the Borrower have any rights under, and none is a third party beneficiary of, the servicing arrangements between the Servicer and Freddie Mac.

The Servicer is an approved Freddie Mac Program Plus Lender.

The Servicer makes no representation as to the contents of this Official Statement, the suitability of the Bonds for any investor, the feasibility of performance of the Project or compliance with any securities, tax or other laws or regulations. The Servicer's role will be limited to servicing the Bond Mortgage Loan.

CERTAIN BONDHOLDERS' RISKS

The purchase of the Bonds will involve a number of risks. In addition to factors set forth elsewhere in this Official Statement, purchasers of Bonds should carefully consider the following risk factors in connection with investment in the Bonds. The following list of factors, while not setting forth all of the factors to be considered, contains some of the factors which should be considered prior to purchase of the Bonds. This discussion of risk factors is not and is not intended to be, comprehensive or exhaustive. The following is a summary, which does not purport to be comprehensive or definitive, of some of such risk factors.

Credit Facility; Primary Security

It is expected that the primary security for the Bonds will be the Credit Enhancement Agreement delivered by Freddie Mac to the Trustee in order to pay the principal of, interest on and purchase price for the Bonds. See "CERTAIN BONDHOLDERS' RISKS—Enforceability and Bankruptcy" below, and "FREDDIE MAC." Based on this expectation, no financial information as to the creditworthiness of the Borrower or the value of the Project is included herein.

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

No Borrower Personal Liability

The Borrower has not been nor will it be (subject to certain exceptions to non recourse liability for the benefit of Freddie Mac set forth in the Financing Agreement, the Reimbursement Agreement and the other Bond Financing Documents) personally liable for payments on the Bond Mortgage Loan, nor will the Borrower be (subject to certain exceptions to non recourse liability set forth in the Bond Mortgage and subject to certain exceptions to non recourse liability set forth in the Financing Agreement and the Reimbursement Agreement with respect to the Administration and the payment of the rebate amount) personally liable under the other documents executed in connection with the Bonds and the making of such Bond Mortgage Loan. All payments on the Bond Mortgage Loan are expected to be derived from revenues generated by the Project.

Limited Security

The Bonds are limited obligations of the Administration payable solely from certain funds pledged to and held by the Trustee pursuant to the Supplemental Resolution.

No Acceleration or Early Redemption Upon Loss of Tax Exemption on the Bonds

The Bonds are not subject to acceleration or redemption, and the rate of interest on the Bonds is not subject to adjustment, by reason of the interest on the Bonds being included in gross income for purposes of federal income taxation. Such event could occur if the Borrower (or any subsequent owners of the Project) or the Administration, as applicable, does not comply with the provisions of the Financing Agreement and the Tax Regulatory Agreement which are designed, if complied with, to satisfy the continuing compliance requirements of the Code, in order for the interest on the Bonds to be excludable from gross income for purposes of federal income tax. If, however, the Borrower or the Administration fails to comply with such provisions, interest on the Bonds may be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Early Redemption

Purchasers of Bonds, including those who purchase Bonds at a price in excess of their principal amount or who hold such a Bond trading at a price in excess of par, should consider the fact that the Bonds are subject to redemption at a redemption price equal to their principal amount plus accrued interest in the event such Bonds are redeemed prior to maturity. This could occur, for example, in the event that the Bond Mortgage Loan is prepaid at the option of the Borrower or as a result of casualty or condemnation award payments affecting the Project or there is a default under the Bond Mortgage. See “THE BONDS Mandatory Redemption.”

Economic Feasibility

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

Competing Facilities

The Administration, the Borrower, and persons who may or may not be affiliated with the Administration or the Borrower may own, finance, develop, construct, and operate other facilities in the area of the Project that could compete with the Project. Any competing facilities, if so constructed, could adversely affect occupancy and revenues of the Project.

Enforceability and Bankruptcy

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

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

Normal Risks

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

Environmental Matters

There are potential risks relating to environmental liability associated with the ownership of any property, including the Project. If hazardous substances are found to be located on the Project, the owners of the Project, including the Borrower, may be held liable for costs and other liabilities relating to such hazardous substances. In the event of foreclosure of the Project or active participation in the management of the Project by the Trustee on behalf of the Bondholders, the Trustee (and, indirectly, the Bondholders) may be held liable for costs and other liabilities related to hazardous substances, if any, on the site of the Project on a strict liability basis and such costs may exceed the value of the Project.

Management of the Project

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

Effect of Increases in Operating Expenses

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

Equity Funding

The availability of equity proceeds to the Borrower from its partners is governed by the Borrower's Partnership Agreement and related documents of the Borrower, which contain certain conditions precedent to funding and potential adjustments to equity proceeds. The failure to satisfy the conditions precedent to funding and to obtain amounts under the Partnership Agreement may result in a default under the various documents executed in connection with the financing of the Project and the exercise of remedies thereunder. There is no guaranty that these conditions will be met.

SUMMARY OF THE SUPPLEMENTAL RESOLUTION

The Bonds will be issued pursuant to, and secured by, the Supplemental Resolution. The following is a brief summary of certain provisions of the Supplemental Resolution pursuant to which the Bonds will be issued. The summary does not purport to be complete or definitive and is qualified in its entirety by reference to the Supplemental Resolution, copies of which are on file with the Trustee.

Establishment of Funds

In addition to the Bond Mortgage Loan Fund and the Bond Purchase Fund, the Supplemental Resolution establishes the following funds:

(1) Revenue Fund, and within the Revenue Fund a General Account and a Credit Facility Account;

(2) Bond Fund and within the Bond Fund a Purchased Bonds Account;

(3) Redemption Fund;

(4) Administration Fund;

(5) Costs of Issuance Fund;

(6) Credit Facility Reimbursement Fund, and within the Credit Facility Reimbursement Fund a Credit Facility Principal Reimbursement Account and a Credit Facility Interest Reimbursement Account; and

(7) Rebate Fund.

Bond Mortgage Loan Fund

Amounts on deposit in the Bond Mortgage Loan Fund shall be disbursed from time to time by the Trustee for the purpose of paying (i) interest on the Bonds, (ii) the Bond Fee Component, the Additional Interest Amount, the Additional Issuer Fee and any fees due and payable to the Credit Facility Provider and the Construction Phase Credit Facility Provider, or (iii) Costs of the Project. In addition, amounts in the Bond Mortgage Loan Fund shall be transferred to the Redemption Fund, the Rebate Fund and the Borrower at the times and in the manner provided below.

The Trustee shall automatically transfer amounts from the respective accounts of the Bond Mortgage Loan Fund to the Administration Fund to pay to the appropriate party its accrued fees that are included in the Bond Fee Component that are due and payable as set forth in the Supplemental Resolution or upon receipt of an invoice, and to the Credit Facility Provider and the Construction Phase Credit Facility Provider any fees due and payable, without any need for a written requisition or other written direction.

Immediately prior to (a) any mandatory redemption of Bonds pursuant to the terms of the Supplemental Resolution described under Mandatory Redemption or (b) any mandatory redemption of Bonds in whole as pursuant to the terms of the Supplemental Resolution described under clause (d) or clause (f) under "THE BONDS—Mandatory Redemption," any amounts then remaining in the Bond Mortgage Loan Fund will, at the written direction of the Credit Facility Provider, be transferred to the Redemption Fund to be applied to (i) the redemption of Bonds described under Mandatory Redemption or (2) the redemption of Bonds described under clause (d) or clause (f) under "THE BONDS — Mandatory Redemption."

Any amounts remaining on deposit in the Bond Mortgage Loan Fund upon the earlier of (i) the Loan Conversion Date, or (b) the expiration date of the Construction Phase Credit Facility, whichever occurs first, and not required to pay Costs of the Project not yet due and payable or being contested in good faith, in each case determined in accordance with the Construction Phase Credit Documents, shall be transferred to the Redemption Fund to be applied to the redemption of Bonds pursuant to the Supplemental Resolution. See "THE BONDS – Mandatory Redemption."

All Investment Income earned on amounts on deposit in the Bond Mortgage Loan Fund shall be retained in and credited to and become a part of the amounts on deposit in the Bond Mortgage Loan Fund.

Revenue Fund

All Revenues shall be deposited by the Trustee, promptly upon receipt thereof, to the General Account of the Revenue Fund, except (a) proceeds of the Bonds received by the Trustee on the Delivery Date, which shall be applied as described under "SUMMARY OF THE SUPPLEMENTAL RESOLUTION – Bond Mortgage Loan Fund," (b) amounts paid pursuant to the Credit Facility, which shall be deposited in the Credit Facility Account, (c) otherwise as provided under this section with respect to deposits in the Redemption Fund, (d) with respect to Investment Income to the extent required under the terms of the Supplemental Resolution to be retained in the funds and accounts to which it is attributable, (e) with respect to amounts required to be transferred between funds and accounts and provided in the Supplemental Resolution and (f) with respect to the Additional Interest Amount, which shall be deposited to the Project Account.

On each Interest Payment Date or any other date on which payment of principal of or interest on the Bonds becomes due and payable, the Trustee, out of money in the Credit Facility Account and the General Account of the Revenue Fund, shall credit the following amounts to the following funds, but in the order and within the limitations hereinafter indicated with respect thereto, as follows:

FIRST: to the Bond Fund from money in the Credit Facility Account of the Revenue Fund, an amount equal to the principal of and interest on the Bonds due on such date (excluding principal of or interest on any Purchased Bonds and excluding the principal constituting a mandatory sinking fund redemption payment on any Bonds on such Interest Payment Date and, prior to the Loan Conversion Date, taking into account amounts in the Project Account of the Bond Mortgage Loan Fund to make such payments); and

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

THIRD: to the Redemption Fund from money in the Credit Facility Account (i) amounts paid to the Trustee under the Credit Facility to be applied to the mandatory redemption of all or a portion of the Bonds (other than a mandatory sinking fund redemption), and (ii) amounts paid to the Trustee under the Credit Facility to be applied to the optional redemption of all or a portion of the Bonds (See "THE BONDS – Optional Redemption" and "Mandatory Redemption"); and

FOURTH: to the Purchased Bonds Account in the Bond Fund from money in the General Account, such amount as the Credit Facility Provider shall advise the Trustee is equal to the interest due on the Purchased Bonds on such Interest Payment Date.

Promptly upon receipt, the Trustee shall deposit directly to the Redemption Fund (a) Net Proceeds representing casualty insurance proceeds or condemnation awards applied to prepayment of the Bond Mortgage Loan, such amount to be applied to reimburse the Credit Facility Provider for a draw under the Credit Facility in such amount to provide for extraordinary mandatory redemption of all or a portion of the Bonds; (b) Eligible Funds (other than draws under the Credit Facility) paid to the Trustee to be applied to the optional redemption of all or a portion of the Bonds; (c) Eligible Funds (other than draws under the Credit Facility) paid to the Trustee to be applied to the payment of any redemption premium in connection with an optional redemption of all or a portion of the Bonds; and (d) amounts transferred to the Redemption Fund from the Bond Mortgage Loan Fund as described under "Bond Mortgage Loan Fund."

Promptly prior to any mandatory redemption of Bonds as described under clause (b), (h) or (i) of the first paragraph of "THE BONDS — Mandatory Redemption" of this Official Statement or (b) any mandatory redemption of Bonds in whole as described under clause (d) of the first paragraph of "THE BONDS — Mandatory Redemption," any amounts then remaining in the Bond Mortgage Loan Fund will, at the written direction of the Credit Facility Provider, be transferred to the Redemption Fund to be applied to the redemption of Bonds as described under clause (b), (h) or (i) of the first paragraph of "THE BONDS — Mandatory Redemption" or (b) the redemption of Bonds as described under clause (d) of the first paragraph of "THE BONDS — Mandatory Redemption."

In addition, any amounts remaining on deposit in the Project Account of the Bond Mortgage Loan Fund upon the earlier of (a) the Loan Conversion Date, and not required to pay Costs of the Project not yet due and payable or being contested in good faith, in each case determined in accordance with the Construction Phase Credit Documents and certified to the Trustee in writing, or (b) the Forward

Commitment Maturity Date, shall be transferred to the Redemption Fund and applied to the redemption of Bonds as described under clause (e) of the first paragraph of "THE BONDS — Mandatory Redemption"; provided, that if the Forward Commitment Maturity Date occurs prior to the Loan Conversion Date and if the Trustee purchases the Bonds for the account of the Construction Phase Credit Facility Provider as provided under "THE BONDS—Special Purchase In Lieu of Redemption," such transfer shall be made no later than three (3) years after the Forward Commitment Maturity Date upon the request of the Construction Phase Credit Facility Provider; provided further, that any amounts in the Project Account of the Bond Mortgage Loan Fund in excess of the amount needed to reimburse the Credit Facility Provider for the related redemption of the Bonds shall be transferred to the Rebate Fund. Furthermore, any amount remaining in the Borrower Equity Account of the Bond Mortgage Loan Fund upon the earlier of (a) the Loan Conversion Date and not required to pay Costs of the Project not yet due and payable or being contested in good faith, in each case determined in accordance with the Construction Phase Credit Documents and certified to the Trustee in writing, or (b) the Forward Commitment Maturity Date, and provided no default by the Borrower exists under the Supplemental Resolution or any Bond Mortgage Loan Document, such funds shall be paid by the Trustee to the Borrower at the written direction of the Credit Facility Provider.

Should the amount in the Bond Fund, be insufficient to pay the amount due on the Bonds on any given Interest Payment Date or other payment date after the transfers from the Credit Facility Account, the Trustee shall credit to the Bond Fund the amount of such deficiency by charging the following funds and accounts in the following order of priority: (1) the General Account of the Revenue Fund and (2) the Redemption Fund, except no such charge to the Redemption Fund shall be made from money to be used to effect a redemption for which notice of redemption has been provided for or from money which is held for payment of Bonds which are no longer Outstanding under the Supplemental Resolution.

Bond Fund

The Trustee will charge the Bond Fund, on each Interest Payment Date, an amount equal to the unpaid interest and principal due on the Bonds on such Interest Payment Date, and will cause the same to be applied to the payment of such interest and principal when due (excluding principal on any Purchased Bond). Any moneys remaining in the Bond Fund on any Interest Payment Date after application as provided in the preceding sentence may, to the extent there shall exist any deficiency in the Redemption Fund to redeem Bonds called for mandatory sinking fund redemption on such Interest Payment Date, be transferred to the Redemption Fund to be applied for such purpose. Any balance remaining in the Bond Fund on the Business Day immediately succeeding an Interest Payment Date shall be transferred to the Servicer for payment to the Credit Facility Provider to be applied in accordance with the Reimbursement Agreement. Income realized from the investment or deposit of moneys in the Bond Fund shall be deposited by the Trustee upon receipt in the General Account of the Revenue Fund.

Redemption Fund

Any money credited to the Redemption Fund shall be applied as described under "Revenue Fund" above; provided, however, that to the extent any money credited to the Redemption Fund from Eligible Funds (other than draws under the Credit Facility) is in excess of the amount necessary to effect the redemptions described it shall be applied to make up any deficiency in the Bond Fund on any Interest Payment Date, to the extent money then available as described above in the General Account of the Revenue Fund are insufficient to make up such deficiency, provided that no money to be used to effect a redemption for which a conditional notice of redemption, the conditions of which have been satisfied, or an unconditional notice of redemption has been provided or money which are held for payment of Bonds which are no longer Outstanding shall be so transferred to the Bond Fund.

On or before each Interest Payment Date, the income realized from the investment of moneys in the Redemption Fund will be credited by the Trustee to the General Account of the Revenue Fund.

Administration Fund

The Trustee is required to deposit into the Administration Fund, promptly upon receipt thereof, all amounts received from the Servicer and, prior to the Loan Conversion Date, the Construction Phase Credit Facility Provider designated for deposit into such fund. Prior to the earlier of the Loan Conversion Date or the payment in full of all Bonds Outstanding, amounts on deposit in the Administration Fund shall be applied on each Interest Payment Date as follows: first, to the payment of accrued fees that are included in the Bond Fee Component that are due and payable; second, the payment of any fees due and payable to Freddie Mac under the Reimbursement Agreement; third, to the Construction Phase Credit Facility Provider any fees due and payable under the Construction Phase Credit Reimbursement Agreement, and fourth, to the Administration, the Additional Issuer Fee. Thereafter, amounts in the Administration Fund shall be withdrawn or maintained, as appropriate, by the Trustee and used **FIRST**, to pay to the Trustee when due the Ordinary Trustee's Fees and Expenses; **SECOND**, to pay to the Administration when due the Issuer Fee and the Additional Issuer Fee; **THIRD**, to pay when due the reasonable fees and expenses of a Rebate Analyst in connection with the computations relating to arbitrage rebate required under the Supplemental Resolution and the Financing Agreement, upon receipt of an invoice from the Rebate Analyst; **FOURTH**, to deposit to any Custodial Escrow Account any deficiency in the amount held therein as certified in writing by the Servicer (or subsequent holder of such an account) to the Trustee; **FIFTH**, to pay to the Trustee any Extraordinary Trustee's Fees and Expenses due and payable from time to time, as set forth in an invoice submitted to the Borrower and Freddie Mac; **SIXTH**, to pay to the Administration any extraordinary expenses it may incur in connection with the Bonds or the Supplemental Resolution from time to time, as set forth in an invoice submitted to the Trustee and Freddie Mac; **SEVENTH**, to pay to the Credit Facility Provider any unpaid portion of the amounts due under the Reimbursement Agreement, as certified in writing by the Credit Facility Provider to the Trustee; **EIGHTH**, to pay to the Servicer any unpaid portion of the Ordinary Servicing Fees and Expenses and any Extraordinary Servicing Fees and Expenses due and owing from time to time, as set forth in an invoice submitted to the Trustee and Freddie Mac; **NINTH**, to make up any deficiency in the Redemption Fund on any redemption date of Bonds, to the extent money then available in accordance with the Supplemental Resolution hereof in the Redemption Fund are insufficient to redeem Bonds called for redemption on such redemption date; **TENTH**, to pay to the Dissemination Agent when due the Dissemination Agent's Fee; **ELEVENTH**, to pay to the Rating Agency when due the annual rating maintenance fee, if any , as set forth in an invoice submitted to the Trustee; and **TWELFTH**, to transfer any remaining balance after application as aforesaid to the General Account of the Revenue Fund.

In the event that the amounts on deposit in the Administration Fund are not equal to the amounts payable from the Administration Fund as provided in the preceding paragraph on any date on which such amounts are due and payable, the Trustee shall give notice to the Borrower of such deficiency and of the amount of such deficiency and request payment within two (2) Business Days to the Trustee of the amount of such deficiency. Upon payment by the Borrower of such deficiency, the amounts for which such deficiency was requested shall be paid by the Trustee.

On or before each Interest Payment Date, the income realized from the investment of money in the Administration Fund shall be retained in and credited to and become a part of the amounts on deposit in the Administration Fund.

Credit Facility Reimbursement Fund

The Trustee will deposit into the Credit Facility Interest Reimbursement Account of the Credit Facility Reimbursement Fund, promptly upon receipt thereof, all amounts received from the Servicer, including but not limited to scheduled monthly interest collections pursuant to the Reimbursement Agreement, and, prior to the Loan Conversion Date, all amounts received from the Construction Phase Credit Facility Provider, designated for deposit into such account. Amounts on deposit in the Credit Facility Interest Reimbursement Account shall be applied by the Trustee to reimburse the Credit Facility Provider for amounts drawn under the Credit Facility to pay interest on the Bonds. On each Interest Payment Date, the Trustee, without the need for any further direction, shall pay to the Credit Facility Provider by no later than 2:30 p.m., Washington D.C. time, from and to the extent of amounts on deposit in the Credit Facility Interest Reimbursement Account, an amount equal to the amount drawn by the Trustee under the Credit Facility to pay interest on the Bonds on such date.

The Trustee will deposit into the Credit Facility Principal Reimbursement Account of the Credit Facility Reimbursement Fund, promptly upon receipt thereof, all amounts received from the Servicer designated for deposit into such account, including but not limited to scheduled monthly principal deposits pursuant to Section 3.3(h) of the Reimbursement Agreement. Amounts on deposit in the Credit Facility Principal Reimbursement Account shall be applied by the Trustee to reimburse the Credit Facility Provider for amounts drawn under the Credit Facility to pay principal on the Bonds. On each maturity date for the Bonds and each date the Bonds are subject to optional or mandatory redemption, the Trustee, without the need for any further direction, shall pay to the Credit Facility Provider by no later than 2:30 p.m., Washington D.C. time, from and to the extent of amounts on deposit in the Credit Facility Principal Reimbursement Account, an amount equal to the principal amount drawn by the Trustee under the Credit Facility to pay or redeem Bonds in Authorized Denominations on such date.

In the event that the amounts on deposit in the respective accounts in the Credit Facility Reimbursement Fund are insufficient to reimburse the Credit Facility Provider (as provided in the two preceding paragraphs) the full amount to be drawn under the Credit Facility to pay interest or principal on the Bonds, as applicable, the Trustee shall promptly give notice to the Credit Facility Provider, the Servicer and the Borrower of such deficiency and of the amount of such deficiency.

All Investment Income on amounts on deposit in the Credit Facility Reimbursement Fund shall be retained in and credited to and become a part of the amounts on deposit in the respective accounts in such fund. Provided that (as confirmed by the Trustee with the Servicer or the Credit Facility Provider) (i) there is no deficiency in the Credit Facility Reimbursement Fund, the Administration Fund, the Rebate Fund, or any Custodial Escrow Account, (ii) no default exists under the Bond Mortgage Loan, (iii) no Event of Default exists hereunder or under any of the other Borrower Documents (as defined in the Reimbursement Agreement), and (iv) Credit Facility Provider has been fully reimbursed for amounts drawn on the Credit Facility, the Trustee, without the need for any further direction, shall pay such Investment Income to the Borrower on the Interest Payment Date next succeeding receipt thereof (after making all payments specified under this section).

At the written direction of the Credit Facility Provider, the amounts on deposit in the Credit Facility Reimbursement Fund shall be used by the Trustee to pay any amounts required to be paid by the Borrower under any Bond Mortgage Loan Document, to pay any amounts owed to the Credit Facility Provider in connection with any loan purchased by the Credit Facility Provider and secured by the Project, or to pay any other amount agreed to in writing by the Borrower and the Credit Facility Provider; provided that the amounts on deposit in the Credit Facility Reimbursement Fund shall, upon the occurrence of an event of default under any Bond Mortgage Loan Document, be used in any manner and for any purpose specified by the Credit Facility Provider.

At the written request of the Borrower, the Credit Facility Provider, in its sole and absolute discretion, may (i) consent to the release of all or a portion of the amounts on deposit in the Credit Facility Reimbursement Fund to the Borrower (in which case the Trustee shall release such amounts to the Borrower, provided that if, in the judgment of the Rebate Analyst, the amount on deposit in the Rebate Fund at such time is less than the amount required under the Supplemental Resolution to be rebated to the United States Department of the Treasury, then prior to any such release to the Borrower, any amounts on deposit in the Credit Facility Reimbursement Fund (up to the amount of such deficiency) shall be transferred to the Rebate Fund) and/or (ii) reduce or no longer require deposits to the Credit Facility Reimbursement Fund.

Any amounts remaining in the Credit Facility Reimbursement Fund after payment in full of the principal of and interest on the Bonds shall be applied as described herein under the caption "SUMMARY OF THE SUPPLEMENTAL RESOLUTION – Amounts Remaining in Funds."

Investment of Funds

The money held by the Trustee shall constitute trust funds for the purposes of the Supplemental Resolution. Any money attributable to each of the funds and accounts hereunder shall be, except as otherwise expressly provided herein, invested by the Trustee, at the written direction of the Borrower and the Credit Facility Provider (or, in the case of the Rebate Fund, at the written instruction of the Administration or Bond Counsel pursuant to the Supplemental Resolution) in Qualified Investment which mature on the earlier of (i) six (6) months from the date of investment and (ii) the date such money is needed; provided, that if the Trustee shall have entered into any investment agreement requiring investment of money in any fund or account under the Supplemental Resolution in accordance with such investment agreement and if such investment agreement constitutes a Qualified Investment, such money shall be invested in accordance with such requirements; provided further, that all funds held in the Credit Facility Reimbursement Fund and the Credit Facility Account of the Revenue Fund shall be held uninvested or shall be invested only in Government Obligations or in Qualified Investments of the type described in subparagraph (g) of the definition thereof which, in any case, shall mature or be subject to redemption at par on or prior to the earlier of: (i) 30 days from the date of investment or (ii) the date such money is required to be applied pursuant to the provisions of the Supplemental Resolution. Except as otherwise provided in the preceding sentence, in the absence of written direction from the Borrower and the Credit Facility Provider, the Trustee shall invest amounts on deposit in the funds and accounts established under the Supplemental Resolution in investments of the type described in subparagraph (g) of the definition of Qualified Investments. Such investments may be made through the investment or securities department of the Trustee. All such Qualified Investments purchased with money in any fund or account hereunder shall mature, or shall be subject to redemption or withdrawal without discount or penalty at the option of the Trustee, prior to the next succeeding Interest Payment Date. The Trustee may purchase from or sell to itself or an affiliate, as principal or agent, securities authorized in the Supplemental Resolution. The Trustee shall be entitled to assume, absent receipt by the Trustee of written notice to the contrary, that any investment which at the time of purchase in a Qualified Investment remains a Qualified Investment thereafter.

Qualified Investments representing an investment of money attributable to any fund or account shall be deemed at all times to be a part of said fund or account, and, except as otherwise may be provided expressly in the Supplemental Resolution, the interest thereon and any profit arising on the sale thereof shall be credited to the General Account of the Revenue Fund, and any loss resulting on the sale thereof shall be charged against the General Account of the Revenue Fund. Such investments shall be sold at the best price obtainable (at least par) whenever it shall be necessary so to do in order to provide money to make any transfer, withdrawal, payment or disbursement from said fund or account. In the case of any required transfer of money to another such fund or account, such investments may be transferred to that fund or account in lieu of the required money if permitted hereby as an investment of money in that fund or account. The Trustee shall not be liable or responsible for any loss resulting from any investment made in accordance with the Supplemental Resolution.

In computing for any purpose hereunder the amount in any fund or account on any date, obligations so purchased shall be valued at Fair Market Value.

Rebate Fund

The Rebate Fund shall be established by the Trustee and held and applied as provided in the Supplemental Resolution. On any date on which any amounts are required by applicable federal tax law to be rebated to the federal government, amounts shall be deposited into the Rebate Fund by the Borrower for such purpose. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the rebate requirement, for payment to the United States Government, and none of the Administration, the Borrower, the Credit Facility Provider or the Bondholders shall have any rights in or claim to such moneys. All amounts deposited into or on deposit in the Rebate Fund shall be governed by the Supplemental Resolution.

Costs of Issuance Fund

The Trustee will use moneys on deposit in the Costs of Issuance Fund to pay the costs of issuance on the Delivery Date or as soon as practicable thereafter in accordance with written instructions to be given to the Trustee by the Borrower, as accepted and agreed to by the Administration, and the Construction Phase Credit Facility Provider, upon delivery to the Trustee of appropriate invoices for such expenses and a requisition in the form attached to the Supplemental Resolution. Amounts remaining on deposit in the Costs of Issuance Fund on the date which is six months after the Delivery Date will be transferred to the Borrower. Upon such final disbursement, the Trustee will close the Costs of Issuance Fund.

Moneys Held in Trust

All moneys held by the Trustee, as such, at any time pursuant to the terms of the Supplemental Resolution shall be and thereby are assigned, transferred and set over unto the Trustee in trust for the purposes and under the terms and conditions of the Supplemental Resolution.

Amounts Remaining in Funds

After full payment of the Bonds (or provision for payment thereof having been made in accordance with the Supplemental Resolution hereof) and full payment of the fees, charges and expenses of the Administration and the Trustee and other amounts required to be paid hereunder or under any Bond Mortgage Loan Document, including, but not limited to, the Credit Facility and the Reimbursement Agreement or the Construction Phase Credit Documents, any amounts remaining in any fund or account hereunder other than the Rebate Fund shall be paid to the Borrower; provided however, that if a default shall have occurred and remain uncured under any Bond Mortgage Loan Document of which the Trustee shall have received written notice from the Credit Facility Provider or the Servicer, then any such amounts remaining in any fund or account hereunder shall be paid to the Credit Facility Provider in accordance with the Reimbursement Agreement; provided, further, that if a default shall have occurred and remain uncured under the Construction Phase Credit Documents of which the Trustee shall have received written notice from the Construction Phase Credit Facility Provider, then following payment of any amounts due and payable to the Credit Facility Provider, any such amounts remaining in any fund or account hereunder shall be paid to the Construction Phase Credit Facility Provider in accordance with the Construction Phase Credit Documents.

Drawings Under Credit Facility

The Credit Facility will be held by the Trustee and drawn upon in accordance with its terms and the provisions of the Supplemental Resolution. Money derived from draws upon the Credit Facility will be deposited in the Credit Facility Account of the Revenue Fund and applied by the Trustee to pay the principal of and interest on the Bonds, and, in the event of a purchase of the Bonds, to pay, to the extent provided in the Credit Facility, the Purchase Price of the Bonds in accordance with the Supplemental Resolution.

Beginning on the first Interest Payment Date and continuing through the Loan Conversion Date, the Trustee will transfer money from the Project Account of the Bond Mortgage Loan Fund, if any, to make timely payments of interest on the Bonds when due and payable (i.e., on Interest Payment Dates, at Bond maturity or upon the redemption or acceleration of the maturity of the Bonds) and to the extent such moneys are insufficient to pay such interest, the Trustee will draw money under the Credit Facility in accordance with its terms in an amount sufficient to make timely payments of the interest, but not principal or premium, on the Bonds to be made from the Bond Fund. Prior to the Loan Conversion Date, the Trustee will draw money under the Credit Facility in accordance with the terms thereof in an amount sufficient to make timely payments of the principal of the Bonds when due and payable (i.e., on Interest Payment Dates, at Bond maturity or upon the redemption or acceleration of the maturity of the Bonds).

Following the Loan Conversion Date, the Trustee will draw money under the Credit Facility in accordance with the terms thereof in an amount sufficient to make timely payments of the principal of and interest, but not premium, on the Bonds when due and payable (i.e. on Interest Payment Dates, at Bond maturity or upon the redemption or acceleration of the maturity of the Bonds). The Trustee shall not, however, be permitted to draw on the Credit Facility to pay principal of and interest on Purchased Bonds.

Should the Credit Facility Provider become the owner of the Project by foreclosure or otherwise, the Trustee is to continue to make payments on the Bonds, but only from draws on the Credit Facility or from Eligible Funds.

The Trustee shall also draw moneys under the Credit Facility in accordance with its terms to cover any deficiency in payment of the Issuer Fee (such draws, if any, acknowledged to be on a standby basis, not a direct-pay basis).

The Trustee shall make no drawings under the Credit Facility to pay the Additional Issuer Fee.

Events of Default; Acceleration; Remedies

Each of the following constitutes an Event of Default with respect to the Bonds under the Supplemental Resolution:

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

(b) failure by the Credit Facility Provider to make when due a required payment under the Credit Facility; or

(c) failure to observe or perform any of the covenants, agreements or conditions on the part of the Administration set forth in the Supplemental Resolution (other than those regarding the payment of principal, interest, premium or Purchase Price) or in the Bonds and the continuance thereof for a period of thirty (30) days (or such longer period, if any, as is specified in the Supplemental Resolution for particular defaults) after written notice thereof (which notice will be effective only with the written consent of the Credit Facility Provider if no Event of Default has occurred and is then continuing under paragraph (b) above) to the Administration from the Trustee or the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding at such time specifying such default and requiring the same to be remedied; provided, that if such default cannot be cured within such thirty (30) day period through the exercise of diligence and the Administration commences the required cure within such thirty (30) day period and continues the cure with diligence and the Administration reasonably anticipates that the default could be cured within sixty (60) days, the Administration shall have sixty (60) days following receipt of such notice to effect the cure.

The Trustee and the Administration agree that, notwithstanding the provisions in the Supplemental Resolution, no default under the terms of the Supplemental Resolution will be construed as resulting in a default under the Bond Mortgage Loan Documents unless such event also constitutes an Event of Default thereunder.

Upon the occurrence of an Event of Default under paragraph (b) above, the Trustee shall, upon the written request of the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding and receipt of indemnity satisfactory to it, by notice in writing delivered to the Administration, declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable, and interest shall continue to accrue thereon until such amounts are paid.

Upon the occurrence of an Event of Default (other than an Event of Default under paragraph (b) above), the Trustee shall, but only upon receipt from the Credit Facility Provider of a notice directing such acceleration (which notice may be given in the sole discretion of the Credit Facility Provider and only with the consent of the Construction Phase Credit Facility Provider), by notice in writing delivered to the Administration, declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable and, upon the Credit Facility Provider having honored a properly presented and conforming draw under the Credit Facility to pay such amounts, interest on the Bonds shall cease to accrue, anything contained in the Supplemental Resolution or in the Bonds to the contrary notwithstanding.

The payment on the Bonds resulting from a declaration of acceleration on the Bonds as the result of an Event of Default occurring under paragraphs (a) or (c) above shall be made from the Credit Facility.

If at any time after the Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the money due shall have been obtained or entered, the Administration, the Borrower, the Credit Facility Provider or the Construction Phase Credit Facility Provider, as applicable, shall pay to or deposit with the Trustee a sum sufficient to pay all principal of the Bonds then due (other than solely by reason of such declaration) and all unpaid installments of interest (if any) upon all the Bonds then due, with interest at the rate borne by the Bonds on such overdue principal and (to the extent legally enforceable) on such overdue installments of interest, and the reasonable fees and expenses of the Trustee (including its counsel) shall have been made good or cured or adequate provision shall have been made therefor, and all outstanding amounts then due and unpaid under the Reimbursement Agreement (including, without limitation, with respect to the Credit Facility Provider all outstanding amounts owed to the Credit Facility Provider and all fees owed to the Credit Facility Provider) (collectively, the "Cure Amount")) shall have been paid in full, and all other defaults under the

Supplemental Resolution shall have been made good or cured or waived in writing by the Credit Facility Provider (or, if an Event of Default under paragraph (b) above has occurred and is then continuing, by the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding), then and in every case, the Trustee on behalf of the Holders of all the Outstanding Bonds shall rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default, nor shall it impair or exhaust any right or power consequent thereon. Notwithstanding the foregoing provisions of this paragraph, in the event the Cure Amount is derived in whole or in part from a draw on the Credit Facility, any such rescission or annulment of such declaration of acceleration shall not occur without the written consent of the Credit Facility Provider. The right of the Construction Phase Credit Facility Provider to deposit sums with the Trustee as set forth above shall not be construed to mean that the Construction Phase Credit Facility directly secures or otherwise enhances the Bonds or runs to the benefit of any party other than the Credit Facility Provider.

Upon the occurrence and during the continuance of an Event of Default, the Trustee in its own name and as trustee of an express trust, on behalf and for the benefit and protection of the Holders of all Bonds with respect to which such an Event of Default has occurred and of the Credit Facility Provider (if no Event of Default has occurred and is continuing under paragraph (b)), may also proceed to protect and enforce any rights of the Trustee and, to the full extent that the Holders of such Bonds themselves might do, the rights of such Bondholders under the laws of the State or under the Supplemental Resolution by such of the following remedies as the Trustee shall deem most effectual to protect and enforce such rights; provided that, so long as no Event of Default has occurred and is then continuing under paragraph (b) above, the Trustee may undertake any such remedy only upon the receipt of the prior written consent of the Credit Facility Provider (which consent may be given in the sole discretion of the Credit Facility Provider) and the Construction Phase Credit Facility Provider:

(a) by mandamus or other suit, action or proceeding at law or in equity, to enforce the payment of the principal of, premium, if any, or interest on the Bonds then Outstanding and to require the Administration or the Credit Facility Provider to carry out any covenants or agreements with or for the benefit of the Bondholders and to perform its duties under the Act, the Supplemental Resolution, the Financing Agreement, the Tax Regulatory Agreement or the Credit Facility (as applicable) to the extent permitted under the applicable provisions thereof;

(b) by pursuing any available remedies under the Financing Agreement, the Tax Regulatory Agreement, the Credit Facility or any other Bond Financing Document;

(c) by realizing or causing to be realized through sale or otherwise upon the security pledged under the Supplemental Resolution; and

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

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

In all events the rights of the Trustee to exercise remedies under the Supplemental Resolution upon the occurrence of an Event of Default shall be subject to the provisions of the Intercreditor Agreement.

Rights and Remedies of Bondholders

If an Event of Default under paragraph (b) above shall have occurred and is then continuing, and if requested in writing so to do by the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding with respect to which there is a default, and if indemnified to its satisfaction, the Trustee shall exercise one or more of the rights and powers conferred by this Article as the Trustee, being advised by counsel, shall deem to be in the best interest of the affected Bondholders. If an Event of Default under paragraph (b) above shall have occurred and is then continuing, the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding with respect to which an Event of Default has occurred shall have the right at any time, subject to the provisions of the Supplemental Resolution hereof, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Supplemental Resolution, or for the appointment of a receiver or any other proceedings hereunder, in accordance with the provisions of law and of the Supplemental Resolution.

No Holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Supplemental Resolution or for the execution of any trust under the Supplemental Resolution or for the appointment of a receiver or any other remedy under the Supplemental Resolution, unless (a) a default shall have occurred of which the Trustee shall have been notified as provided in the Supplemental Resolution; (b) such default shall have become an Event of Default under paragraph (b) under "Events of Default; Acceleration; Remedies" above; (c) the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding with respect to which there is such an Event of Default shall have made written request to the Trustee and shall have offered reasonable opportunity to the Trustee either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (d) such Holders shall have offered to the Trustee indemnity as provided in the Supplemental Resolution; and (e) the Trustee shall within sixty (60) days thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding; 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 Supplemental Resolution or the rights of any other Holders of Bonds or to obtain priority or preference over any other Holders or to enforce any right under the Supplemental Resolution, except in the manner provided in the Supplemental Resolution with respect to the equal and ratable benefit of all Holders of Bonds with respect to which there is a default. Nothing contained in the Supplemental Resolution shall, however, affect or impair the right of any Bondholder to enforce the payment of the principal of, the premium, if any, and interest on any Bond at the maturity thereof or the obligation of the Administration to pay the principal of, premium, if any, and interest on the Bonds issued under the Supplemental Resolution to the respective holders thereof, at the time, in the place, from the sources and in the manner expressed in the Supplemental Resolution and in said Bonds.

Rights of the Credit Facility Provider

If an Event of Default as described under paragraph (a) or (c) under “Events of Default; Acceleration; Remedies” above has occurred and so long as no Event of Default under paragraph (b) under “Events of Default; Acceleration; Remedies” above has occurred and is continuing, upon receipt of the written direction of the Credit Facility Provider (which direction may be given in the sole discretion of the Credit Facility Provider), the Trustee shall be obligated to exercise any right or power conferred by the remedial provisions of the Supplemental Resolution in the manner set forth in such written direction of the Credit Facility Provider. If such written direction expressly states that the Trustee may exercise one or more of the rights and powers conferred in the Supplemental Resolution as the Trustee, being advised by counsel, shall deem to be in the interest of the Bondholders and the Credit Facility Provider, the Trustee shall exercise one or more of such rights and powers as the Trustee shall deem to be in the best interests of the Bondholders and the Credit Facility Provider; provided, however, that in any event, so long as no Event of Default under paragraph (b) under “Events of Default; Acceleration; Remedies” above has occurred and is continuing, the Trustee may not undertake any action to realize, through sale or otherwise, upon the Bond Mortgage Loan without the express written direction of the Credit Facility Provider. So long as no Event of Default under paragraph (b) under “Events of Default; Acceleration; Remedies” above has occurred and is continuing, in the case of an Event of Default under paragraphs (a) or (c) under “Events of Default; Acceleration; Remedies” above, the Credit Facility Provider shall have the right, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Supplemental Resolution, or for the appointment of a receiver or any other proceeding under the Supplemental Resolution, in accordance with the provisions of law and of the Supplemental Resolution.

Supplemental Resolutions

Without the consent of, or notice to, any of the Bondholders, but with the prior written consent of the Credit Facility Provider, the Administration and the Trustee may enter into supplemental resolutions for any one or more of the following purposes:

(a) to cure any ambiguity or formal defect or omission therein;

(b) to grant to or confer upon the Trustee for the benefit of the Holders of the Bonds any additional rights, remedies, powers or authority that may lawfully be granted or conferred upon the Bondholders or the Trustee or either of them;

(c) to subject to the lien and pledge of the Supplemental Resolution additional revenues, properties or collateral;

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

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

(f) to modify, amend or supplement the Supplemental Resolution in any other respect which is not materially adverse to the Holders of the Bonds to be Outstanding after the effective date of the change and which does not involve a change which would require Bondholder approval under the Supplemental Resolution.

With the prior written consent of the Credit Facility Provider, and, prior to the Loan Conversion Date, Freddie Mac (unless the Forward Commitment is no longer applicable), the Holders of more than 51% of the aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, to consent to and approve the execution by the Administration and the Trustee of such resolution or resolutions supplemental to the Supplemental Resolution as shall be deemed necessary and desirable by the Administration for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Supplemental Resolution; provided, however, that nothing in the section of the Supplemental Resolution summarized under this heading shall permit, or be construed as permitting, (a) an extension of the time for payment of or reduction in the Purchase Price, or an extension of the time for payment of, or an extension of the stated maturity or reduction in the principal amount or reduction in the rate of interest on or extension of the time of payment, of interest on, or reduction of any premium payable on the redemption of, any Bonds, or a reduction in the Borrower's obligation on the Bond Mortgage Note, without the consent of the Holders of all of the Bonds then Outstanding, (b) the creation of any lien prior to or on a parity with the lien of the Supplemental Resolution, (c) a reduction in the aforesaid percentage of the principal amount of Bonds which is required in connection with the giving of consent to any such supplemental resolution, without the consent of the Holders of all of the Bonds then Outstanding, (d) the modification of the rights, duties or immunities of the Trustee, without the written consent of the Trustee, (e) a privilege or priority of any Bond over any other Bonds or (f) any action that results in the interest on the Bonds becoming included in gross income for federal income tax purposes.

Anything in the Supplemental Resolution to the contrary notwithstanding, unless the Borrower shall then be in default of any of its obligations under the Financing Agreement, the Reimbursement Agreement, the Tax Regulatory Agreement, the Bond Mortgage Note, the Bond Mortgage or the Bond Mortgage, a supplemental resolution which affects any rights of the Borrower shall not become effective unless and until the Borrower shall have expressly consented in writing to the execution and delivery of such supplemental resolution.

Amendments to Financing Agreement Not Requiring Consent of Bondholders

The Trustee will, without the consent of, or notice to, the Bondholders, but with the consent of the Borrower and the Credit Facility Provider, consent to any amendment, change or modification of the Financing Agreement as follows:

(a) as may be required by the provisions of the Credit Facility, by the Financing Agreement or by the Supplemental Resolution;

(b) to cure any formal defect, omission, inconsistency or ambiguity in the Financing Agreement in a manner not materially adverse to the Holder of any Outstanding Bond after the effective date of such change;

(c) to modify or amend the Financing Agreement as necessary to maintain then current rating on the Bonds except no change may be made that will materially adversely affect the interests of any Holder of an Outstanding Bond after the effective date of such change;

(d) to make such additions, deletions or modifications as may be necessary, in the opinion of Bond Counsel delivered to the Administration, the Trustee and the Credit Facility

Provider to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds;

(e) to modify, amend or supplement the Financing Agreement in any other respect which is not materially adverse to the Trustee or Holders of the Bonds to be Outstanding after the effective date of the change which does not involve a change described under "Amendment to Financing Agreement Requiring Consent of Bondholders" below.

Amendments to Financing Agreement Requiring Consent of Bondholders

Except for the amendments, changes or modifications of the Financing Agreement as provided under "Amendments to Financing Agreement Not Requiring Consent of Bondholders" above, neither the Administration nor the Trustee will consent to any other amendment, change or modification of the Financing Agreement without the consent of the Credit Facility Provider, the Borrower and, prior to the Loan Conversion Date, Freddie Mac so long as the Forward Commitment will be in effect, and without the giving of notice and the written approval or consent of the Holders of at least 51% of the aggregate principal amount of Bonds then Outstanding given and procured in accordance with the procedure set forth in the Supplemental Resolution; provided, however, that nothing contained in the Supplemental Resolution will permit, or be construed as permitting, any amendment, change or modification of the Borrower's obligation to make the payments required under the Financing Agreement without the written consent of the Holders of all of the Bonds then Outstanding. If at any time the Administration and the Borrower will request the consent of the Trustee to any such proposed amendment, change or modification of the Financing Agreement, the Trustee will cause notice of such proposed amendment, change or modification to be given in the same manner as provided in the Supplemental Resolution. Such notice will briefly set forth the nature of such proposed amendment, change or modification and will state that copies of the instrument embodying the same are on file at the Principal Office of the Trustee for inspection by Bondholders.

Amendments to the Credit Facility

The Trustee may, without the consent of, or notice to, any of the Bondholders, enter into any amendment, change or modification of the Credit Facility (a) as may be required by the provisions of the Credit Facility (including but not limited to certain provisions of the Credit Enhancement Agreement), (b) to cure any ambiguity, inconsistency or formal defect or omission in the Credit Facility, (c) in a manner which is not prejudicial to the interests of the Bondholders (which will be conclusively evidenced by an opinion of counsel delivered to the Trustee, the Credit Facility Provider and the Administration or by a written confirmation from the Rating Agency of then existing rating on the Bonds delivered to the Trustee, the Credit Facility Provider and the Administration), or (d) as may be required by the Rating Agency to maintain then current rating on the Bonds.

Discharge of Lien

If the Administration pays or cause to be paid to the Holders of the Bonds the principal, interest and premium, if any, to become due thereon at the times and in the manner stipulated therein and herein, in any one or more of the following ways:

(a) by the payment of the principal of (including redemption premium, if any) and interest on all Bonds outstanding; or

(b) by the deposit or credit to the account of the Trustee, in trust, of money or securities in the necessary amount (as provided in Section 9.04) to pay the principal, redemption price and interest to the date established for redemption whether by redemption or otherwise; or

(c) by the delivery to the Trustee, for cancellation by it, of all Bonds Outstanding;

and pays all amounts due and owing to the Credit Facility Provider hereunder and under the Credit Facility and the Reimbursement Agreement, including but not limited to the Freddie Mac Reimbursement Amount and the Freddie Mac Credit Enhancement Fee, and pays all fees and expenses of and any other amounts due to the Trustee, the Dissemination Agent, the Rebate Analyst, the Servicer, the Construction Phase Credit Facility Provider and the Paying Agent, and if the Administration keeps, perform and observe all and singular the covenants and promises in the Bonds and in the Supplemental Resolution expressed as to be kept, performed and observed by it or on its part, then the presents and the estates and rights ranted by the Supplemental Resolution shall cease, determine and be void, and thereupon the Trustee shall cancel and discharge the lien of the Supplemental Resolution and execute and deliver to the Administration such instruments in writing as shall be requisite to satisfy the lien of the Supplemental Resolution, and reconvey to the Administration the estate conveyed by the Supplemental Resolution, and assign and deliver to the Administration any interest in property at the time subject to the lien of the Supplemental Resolution which may then be in its possession, except amounts held by the Trustee for the payment of principal of, interest and premium, if any, on the Bonds, the payment of any amounts be rebated to the United States or the payment of any amounts payable to the Credit Facility Provider or the Construction Phase Credit Facility Provider.

Any Outstanding Bond shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if, under circumstances which do not cause interest on the Bonds to become includable in the Holders' gross income for purposes of federal income taxation, the following conditions shall have been fulfilled: (a) in case such Bond is to be redeemed on any date prior to its maturity, the Trustee gives to the Bondholder irrevocable notice of redemption of such Bond on said date; (b) there shall be on deposit with the Trustee, pursuant to the Supplemental Resolution, either money or direct obligations of the United States of America in an amount, together with anticipated earnings thereon (but not including any reinvestment of such earnings), which will be sufficient to pay, when due, the principal or redemption price, if applicable, and interest due and to become due on such Bond on the redemption date or maturity date thereof, as the case may be; (c) in the case of Bonds which do not mature or will not be redeemed within 60 days of such deposit, the Trustee shall have received a verification report of a firm of certified public accountants reasonably acceptable to the Trustee as to the adequacy of the amounts so deposited to fully pay the Bonds deemed to be paid; (d) the Trustee shall have received an opinion of nationally recognized bankruptcy counsel, if required by subpart (e) of the definition of "Eligible Funds" in Exhibit A hereto, to the effect that such money constitutes Eligible Funds; and (e) the Trustee shall have received an opinion of Bond Counsel to the effect that the defeasance of the Bonds is in accordance with the provisions of the Bond Resolution and that such defeasance will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

The Trustee shall in no event cause the Bonds to be optionally redeemed from money deposited pursuant to the Supplemental Resolution unless the requirements of the Supplemental Resolution have been met with respect to such redemption.

SUMMARY OF THE FINANCING AGREEMENT

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

In connection with the issuance of the Bonds, the Administration, the Trustee and the Borrower will enter into the Financing Agreement. Pursuant to the terms of the Financing Agreement, the Administration will agree to issue Bonds to fund the Bond Mortgage Loan by the Administration to the Borrower, and the Borrower will agree, among other things, to make all payments under the Financing Agreement when due and to abide by the provisions of the Financing Agreement and the other Bond Mortgage Loan Documents.

Terms of the Bond Mortgage Loan; Servicing

The Bond Mortgage Loan shall (a) be evidenced by the Bond Mortgage Note; (b) be initially secured by the Credit Facility and the Mortgage; (c) be in the principal amount of $9,515,000; (d) bear interest as provided in the Bond Mortgage Note; (e) provide for principal and interest payments in accordance with the Bond Mortgage Note; and (f) be subject to optional and mandatory prepayment at the times, in the manner and on the terms, and have such other terms and provisions, as provided in the Financing Agreement and in the Bond Mortgage Note.

From and after the Loan Conversion Date, the Servicer shall service the Bond Mortgage Loan pursuant to the Commitment and the Guide. The Administration, the Trustee and the Borrower acknowledge and agree that (a) selection or removal of any Servicer is in the sole and absolute discretion of the Credit Facility Provider; (b) neither the Administration nor the Trustee shall terminate or attempt to terminate any Servicer as the servicer for the Bond Mortgage Loan or appoint or attempt to appoint a substitute servicer for the Bond Mortgage Loan; (c) the Commitment and the Guide are subject to amendment without the consent of the Trustee, the Administration or the Borrower; and (d) none of the Trustee, the Administration or the Borrower shall have any rights under, or be a third party beneficiary of, the Guide. The Servicer shall have the right to collect all payments made by the Borrower in connection with the Bond Mortgage Loan (from and after the Loan Conversion Date) and to receive copies of all reports and notices provided for by the Bond Financing Documents.

Payments Under Bond Mortgage Note; Independent Obligation of Borrower

The Borrower agrees to repay the Bond Mortgage Loan at the times and in the amounts necessary to enable the Trustee, on behalf of the Administration, to pay all amounts payable with respect to the Bonds, when due, whether at maturity or upon redemption (with premium, if applicable), acceleration or otherwise. The obligation of the Borrower to make the payments set forth in the Financing Agreement will be an independent and separate obligation of the Borrower from its obligation to make payments under the Bond Mortgage Note, provided that in all events payments made by the Borrower under and pursuant to the Bond Mortgage Note will be credited against the Borrower's obligations under the Financing Agreement on a dollar for dollar basis. If for any reason the Bond Mortgage Note or any provision of the Bond Mortgage Note is held invalid or unenforceable against the Borrower by any court of competent jurisdiction, the Bond Mortgage Note or such provision of the Bond Mortgage Note will be deemed to be the obligation of the Borrower pursuant to the Financing Agreement to the full extent permitted by law and such holding will not invalidate or render unenforceable any of the provisions of the Financing Agreement and will not serve to discharge any of the Borrower's payment obligations under the Financing Agreement or eliminate the credit against such obligations to the extent of payments made under the Bond Mortgage Note.

The obligations of the Borrower to repay the Bond Mortgage Loan, to perform all of its obligations under the Bond Mortgage Loan Documents, to provide indemnification pursuant to the Financing Agreement, to pay costs, expenses and charges pursuant to the Financing Agreement and to make any and all other payments required by the Financing Agreement, the Supplemental Resolution or any other documents contemplated by the Financing Agreement or by the Bond Mortgage Loan Documents will, subject to the limitations set forth in the Financing Agreement, be absolute and unconditional and will not be subject to diminution by setoff, recoupment, counterclaim, abatement or otherwise.

With certain exceptions, the obligations of the Borrower are non recourse.

Payment of Certain Fees and Expenses Under the Bond Mortgage Note

The payments to be made by the Borrower under the Bond Mortgage Note include certain moneys to be paid in respect of, among others, the Bond Fee Component, the annual rating maintenance fees of the Rating Agency, if any, the Ordinary Servicing Fees and Expenses, the Freddie Mac Credit Enhancement Fee, the Freddie Mac Reimbursement Amount, the fees and expenses of the Rebate Analyst, indemnification amounts, and amounts required to be deposited in the Custodial Escrow Account pursuant to the Bond Mortgage Loan Documents. To the extent that any portion of the Bond Fee Component, the annual rating maintenance fees of the Rating Agency, if any, Ordinary Servicing Fees and Expenses, Freddie Mac Credit Enhancement Fee, the Freddie Mac Reimbursement Amount, the fees and expenses of the Rebate Analyst, indemnification amounts and amounts required to be deposited in the Custodial Escrow Account remain due and owing at any time, such amounts remaining due and owing will be payable from moneys on deposit in the Administration Fund as provided in the Supplemental Resolution or from other moneys of the Borrower, to the extent that moneys in the Administration Fund are insufficient for such purposes. All other fees and expenses will be payable from moneys of the Borrower as provided in the Financing Agreement.

Prepayment of the Bond Mortgage Loan

The Borrower shall have the option to prepay the Bond Mortgage Loan in full or in part prior to the payment and discharge of all the outstanding Bonds in accordance with the provisions of the Supplemental Resolution and the Financing Agreement, provided that any optional prepayment may be made only with the prior written consent of the Credit Facility Provider and in connection with the payment of any amount due described below. The Borrower shall be required to prepay the Bond Mortgage Loan in each case that Bonds are required to be redeemed in accordance with the terms and conditions set forth in the Supplemental Resolution.

In connection with any prepayment, whether optional or mandatory, in addition to all other payments required under the Bond Mortgage Note, the Borrower shall pay, or cause to be paid to the Servicer (from and after the Loan Conversion Date) or other party as directed by the Credit Facility Provider (or, if no Credit Facility is then in effect, to the Trustee), an amount sufficient to pay the redemption price of the Bonds to be redeemed, including principal, interest and premium (if any), such premium to be paid in Eligible Funds not consisting of funds drawn under the Credit Facility, and further including any interest to accrue with respect to the Bond Mortgage Loan and such Bonds between the prepayment date and the redemption date, together with a sum sufficient to pay all fees, costs and expenses in connection with such redemption and, in the case of redemption in whole, to pay all other amounts payable under the Financing Agreement, the Supplemental Resolution and the Reimbursement Agreement.

Borrower's Obligations Upon Redemption

In the event of any redemption, the Borrower will timely pay, or cause to be paid through the Servicer, to the Trustee an amount equal to the principal amount of such Bonds or portions thereof called for redemption, together with interest accrued to the redemption date and premium, if any, such premium to be paid in Eligible Funds not consisting of funds drawn under the Credit Facility. The Borrower will timely pay all fees, costs and expenses associated with any redemption of Bonds.

Credit Facility Reimbursement Fund

Under the Reimbursement Agreement, the Borrower may be required to make monthly interest payments and principal deposits to the Servicer for remittance to the Trustee for deposit into the Credit Facility Reimbursement Fund. Amounts on deposit in the Credit Facility Reimbursement Find shall be held solely for the benefit of the Credit Facility Provider and shall be applied as provided in the Supplemental Resolution.

Amounts on deposit in the Credit Facility Reimbursement Fund will not be credited against the principal amount of the Bond Mortgage Note or be deemed to be interest payments on the Bond Mortgage Loan until the date such amounts are withdrawn from the Credit Facility Reimbursement Fund and used to reimburse Freddie Mac for amounts paid under the Credit Enhancement Agreement to redeem or otherwise pay principal of or interest on the Bonds.

Tax Compliance

In the Financing Agreement, the Borrower has covenanted that it will not use the proceeds of the Bonds, the earnings thereon and any other moneys on deposit in any fund or account maintained in respect of the Bonds (whether such moneys were derived from the proceeds of the sale of the Bonds or from other sources) in a manner which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

Events of Default and Remedies

The following shall be "Events of Default" under the Financing Agreement and the term "Event of Default" shall mean, whenever it is used in the Financing Agreement, one or all of the following events:

(a) Any representation or warranty made by the Borrower in the Bond Financing Documents or any certificate, statement, data or information furnished by the Borrower in connection therewith or included by the Borrower in its application to the Administration for assistance proves at any time to have been incorrect when made in any material respect;

(b) failure by the Borrower to pay any amounts due under the Financing Agreement, the Bond Mortgage Note or the Mortgage at the times and in the amounts required by the Financing Agreement, the Bond Mortgage Note and the Mortgage;

(c) failure by the Borrower to observe and perform any of its other covenants, conditions or agreements contained in the Financing Agreement, other than as referred to in clause (a) above, for a period of 30 days after written notice specifying such failure and requesting that it be remedied is given by the Administration or the Trustee to the Borrower; provided, however, that if the failure shall be such that it can be corrected but not within such period, the Administration and the Trustee will not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Borrower within such period and diligently pursued until the failure is corrected; or

(d) the occurrence of an "Event of Default" under the Reimbursement Agreement shall at the discretion of the Credit Facility Provider constitute an Event of Default under the Financing Agreement. The occurrence of a Event of Default by the Borrower under the Financing Agreement shall in the discretion of the Credit Facility Provider constitute a default under the Bond Mortgage Loan Documents and the Reimbursement Agreement.

Nothing contained in the Financing Agreement is intended to amend or modify any of the provisions of the Bond Financing Documents or to bind the Administration, the Trustee, the Servicer or Credit Facility Provider to any notice and cure periods other than as expressly set forth in the Bond Financing Documents.

Remedies on Default

Subject to certain rights of the Credit Facility Provider described in the Financing Agreement and the provisions of the Intercreditor Agreement, whenever any Event of Default under the Financing Agreement shall have occurred and be continuing, any one or more of the following remedial steps may be taken:

(a) The Administration shall cooperate with the Trustee as the Trustee acts pursuant to the provisions of the Supplemental Resolution relating to remedies to the extent permitted by law.

(b) In the event any of the Bonds shall at the time be Outstanding and not paid and discharged in accordance with the provisions of the Supplemental Resolution, the Administration or the Trustee may have access to and inspect, examine and make copies of the books and records and any and all accounts, data and income tax and other tax returns of the Borrower.

(c) The Administration or the Trustee may, without being required to give any notice (other than to the Administration or the Trustee, as applicable), except as provided in the Financing Agreement, pursue all remedies of a creditor under the laws of the State, as supplemented and amended, or any other applicable laws.

(d) The Administration or Trustee may take whatever action at law or in equity may appear necessary or desirable to collect the payments then due and thereafter to become due under the Financing Agreement, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under the Financing Agreement.

Any amounts collected pursuant to the Financing Agreement and any other amounts which would be applicable to payment of principal of and interest and any premium on the Bonds collected pursuant to action taken after default shall be applied in accordance with the provisions of the Supplemental Resolution.

The provisions of the Financing Agreement are subject to the further limitation that if, after any Event of Default all amounts which would then be payable thereunder by the Borrower if such Event of Default had not occurred and was not continuing shall have been paid by or on behalf of the Borrower, the Borrower shall have also performed all other obligations in respect of which it is then in default thereunder, and shall have paid the reasonable charges and expenses of the Administration, the Trustee, the Servicer and the Credit Facility Provider, including reasonable attorneys' fees paid or incurred in connection with such default, and shall have paid all amounts owed to the Credit Facility Provider, including, but not limited to, any Freddie Mac Reimbursement Amounts and Freddie Mac Credit Enhancement Fees, and if there shall then be no default existing under the Supplemental Resolution, then and in every such case such Event of Default under the Financing Agreement shall be waived and annulled, but no such waiver or annulment shall affect any subsequent or other Event of Default or impair any right consequent thereon.

SUMMARY OF THE TAX REGULATORY AGREEMENT

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

The following terms have the meanings provided below:

"AMGI" means the area median gross income for the area in which the Project is located, as determined from time to time by the Secretary of the United States Department of Housing and Urban Development in a manner consistent with determinations of lower income families and area median gross income under Section 8 of the United States Housing Act of 1937, as amended (or if such program is terminated, under such program as in effect immediately before such termination). In no event shall any determination of AMGI be less than such determination of AMGI for the preceding calendar year.

"Lower Income Tenant Occupancy Requirement" means the requirement of the Code that 40% of the units in the Project be occupied by Lower Income Tenants as provided in the Tax Regulatory Agreement.

"Lower-Income Tenants" means individuals whose income is 60% or less of AMGI, as adjusted for family size. Except as otherwise provided Tax Regulatory Agreement, occupants of a dwelling unit shall not be considered to be Lower-Income Tenants if all the occupants are students (as defined in Section 125(f)(2) of the Code), no one of whom is entitled to file a joint federal income tax return. Notwithstanding the foregoing, a tenant is not disqualified as a Lower-Income Tenant merely because he/she is (a) a student receiving assistance under Title IV of the Social Security Act,(b) enrolled in a government supported job training program, (c) a full-time student who is a single parent and is living with his/her children, provided that neither such full time student nor any of his/her children occupying the unit are dependants of any person other than the full-time student occupying the unit, (d) a full-time student who is married and files a joint return or (e) a student who was previously under the care and placement responsibility of a foster care program (under part B or Part E of the Title IV of the Social Security Act).

"Qualified Project Period" has the meaning used in Section 142(d)(2)(A) of the Code and generally means the period beginning on the first date (on or after the closing date of the Loan) on which 10% of the residential units in the Project are occupied and ending on the latest of the following dates: (1) the date which is 15 years after the first date (on or after the closing date of the Loan) on which 50% of the residential units in the Project are occupied; (2) the first date (on or after the closing date of the Loan) on which no tax-exempt private activity bond issued with respect to the Project is outstanding; or (3) the first date (on or after the closing date of the Loan) on which all assistance provided with respect to the Project under Section 8 has terminated.

"Qualified Residential Rental Project" means a project that satisfies the requirements of a "qualified residential rental project" as set forth in Section 142(d) of the Code.

The Borrower represents, covenants, and agrees in the Tax Regulatory Agreement that at all times during the Qualified Project Period and, if longer, for such additional period as the Bond Mortgage Loan remains outstanding, the Lower Income Tenant Occupancy Requirement shall be met. For the purpose of satisfying this requirement:

(a) The Lower-Income Tenant Occupancy Requirement shall be applied separately to each Site.

(b) A residential unit in the Project shall be treated as "occupied" if it was previously rented to and occupied by a Lower-Income Tenant and is being held vacant and available for rental to a Lower-Income Tenant. When such a unit is reoccupied (other than for a temporary period of not more than 31 days), the character of the unit shall be redetermined.

(c) The determination of Annual Income will be made both prior to occupancy and on a continuing basis. Increases in a Lower-Income Tenant's Annual Income up to 140% of the applicable limit (adjusted for family size) will not result in disqualification so long as the next unit of comparable or smaller size in the same building as the Lower-Income Tenant which becomes vacant shall be rented to a Lower Income Tenant. In the event that a Lower-Income Tenant's Annual Income increases to a level more than 140% of the then applicable limit (or if a Lower-Income Tenant's family size decreases so that a lower maximum income applies to the Lower-Income Tenant), and the next unit of comparable or smaller size in the same building as the Lower-Income Tenant has become available and is not rented to a Lower Income Tenant, that Lower-Income Tenant may no longer be counted among the 40% of units that satisfy the Lower-Income Tenant Occupancy Requirement.

The Borrower covenants in the Tax Regulatory Agreement that all of the proceeds of the Bond Mortgage Loan will be used to finance buildings and equipment that qualify as a Qualified Residential Rental Project. The Administration understands and agrees that the Regulated Units may be located in one or more of the buildings comprising the Project and that the Administration will not require that each building contain one or more Regulated Units. All of the dwelling units in the Project (except one staff unit) shall be rented or available for rental on a continuous basis to the general public.

SUMMARY OF THE INTERCREDITOR AGREEMENT

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

Under the terms of the Intercreditor Agreement, the Administration, the Trustee, Freddie Mac and the Construction Phase Credit Facility Provider have agreed, among other things, that, until either (a) a Wrongful Dishonor has occurred and is continuing or (b) the Credit Enhancement Agreement terminates in accordance with its terms, certain of the rights and remedies of the Administration and the Trustee under certain of the Bond Financing Documents, including (without limitation) the rights and remedies of the Trustee as beneficiary of the Bond Mortgage under its terms, may be exercised solely at the prior written consent of Freddie Mac, in its sole discretion, including (without limitation) the right to waive any term, condition, covenant or agreement of certain of the Bond Financing Documents pertaining to the Borrower, other than a term, condition, covenant or agreement that might adversely impact the tax-exempt status of interest on the Bonds.

Prior to the Loan Conversion Date and so long as no Construction Wrongful Dishonor is in existence, any provision of the Intercreditor Agreement or the Supplemental Resolution (i) requiring the consent of Freddie Mac shall also require the consent of the Construction Phase Credit Facility Provider and (ii) permitting Freddie Mac to provide direction to the Trustee shall require the consent of the Construction Phase Credit Facility Provider. In the event Freddie Mac has released or assigned to the Construction Phase Credit Facility Provider all of Freddie Mac's interest in the Mortgage, and assigned to the Construction Phase Credit Facility Provider all of Freddie Mac's interest in the Bond Mortgage Loan, the Bonds and the Bond Documents, the Construction Phase Credit Facility Provider shall be entitled to exercise all of Freddie Mac's rights under the Intercreditor Agreement.

Notwithstanding anything to the contrary contained in the Financing Agreement and pursuant to the Intercreditor Agreement, as long as Freddie Mac is not in default of its obligations under the Construction Phase Credit Facility or Credit Enhancement Agreement, as applicable, neither the Administration, the Trustee nor any other person shall, upon the occurrence of an Event of Default under the Financing Agreement or any event of default under the Bond Mortgage Loan, take any action to accelerate or otherwise enforce payment or seek other remedies with respect to the Bond Mortgage Loan Documents, except at the direction of Freddie Mac (or the Construction Phase Credit Facility Provider, as assignee of Freddie Mac); provided that such prohibition shall not be construed to limit the rights of the Administration or the Trustee to specifically enforce the Tax Regulatory Agreement in order to provide for operation of the Project in accordance with the Code and the Act, subject to the right of the Construction Phase Credit Facility Provider or Freddie Mac, as applicable, to cure any default under the Tax Regulatory Agreement as provided in the Intercreditor Agreement; and provided further that this prohibition shall not be construed to limit the Unassigned Rights of the Administration or the indemnification rights of the Trustee, the Servicer, Freddie Mac or any other indemnified party under the Financing Agreement or the Reimbursement Agreement to enforce its rights against the Borrower under the Financing Agreement by mandamus or other suit, action or proceeding at law or in equity where such suit, action or proceeding does not seek any remedies under or with respect to the Bond Mortgage Loan.

UNDERWRITING

The Series 2010 C Bonds are being purchased on a negotiated basis by RBC Capital Markets Corporation, Merrill Lynch, Pierce, Fenner & Smith, Incorporated and J.P. Morgan Securities LLC (collectively, the "Underwriters"). The Underwriters have jointly and severally agreed to purchase the Series 2010 C Bonds at the price or prices set forth on the inside cover page hereof. The Underwriters will receive a fee of $54,751.34 relating to their purchase of the Series 2010 C Bonds. The bond purchase agreement among the Administration and the Underwriters (the "Bond Purchase Agreement") provides that the Underwriters will purchase all but not less than all of the Series 2010 C Bonds. The Underwriters' obligation to make such purchase is subject to certain terms and conditions set forth in the Bond Purchase Agreement, the approval of certain legal matters by counsel and certain other conditions. The initial public offering prices of the Series 2010 C Bonds may be changed, from time to time, by the Underwriters.

The Underwriters may offer and sell any of the Series 2010 C Bonds to certain dealers (including dealers depositing such Series 2010 C Bonds into investment trusts) and certain dealer banks and banks acting as agents at prices lower than the public offering prices stated on the cover page hereof.

J.P. Morgan Securities LLC ("JPMS"), one of the Underwriters, has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of UBS Financial Services ("USBFS") and Charles Schwab & Co., Inc. ("CS&Co.") for the retail distribution of certain municipal securities offerings at the original issue prices. Pursuant to each Dealer Agreement (if applicable to this transaction), each of UBSFS and CS&Co. will purchase the Series 2010 C Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Series 2010 C Bonds that such firm sells.

FINANCIAL ADVISORS

Caine Mitter & Associates Incorporated and Strategic Solutions Center, LLC (collectively, the "Financial Advisors") have served as financial advisors to the Administration in connection with the sale of the Bonds.

CONTINUING DISCLOSURE

The Administration

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, to provide to the Municipal Securities Rulemaking Board or to any other entity designated or authorized by the Commission to receive reports pursuant to the Rule (in either case, the "MSRB") (until otherwise designated by the MSRB or the Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at http://emma.msrb.org), within 120 days of the end of each fiscal year, the following annual financial information and operating data (commencing with the fiscal year ended June 30, 2011):

(i) annual financial statements of the Multi-Family Mortgage Revenue Bond program (if any);

(ii) information in this Official Statement, setting forth:

(a) a description of the Credit Enhancement of the Bond Mortgage Loan; and

(b) information pertaining to the Bond Mortgage Loan and the Project financed with the proceeds of, and securing, the Bonds.

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 information, to the extent necessary or appropriate in the judgment of the Administration; provided that the Administration has agreed that any such modification will be done in a manner consistent with the Rule. The Administration, may, at its option, satisfy this obligation by providing an official statement or other offering circular for one or more Series of Bonds or by specific reference, in accordance with the Rule, to one or more official statements provided previously.

The Administration agrees to provide, in a timely manner, to the MSRB, notice of the occurrence of any of the following events with respect to any of the Bonds, if material:

(a) principal and interest payment delinquencies,

(b) non-payment related defaults,

(c) unscheduled draws on debt service reserves reflecting financial difficulties,

(d) unscheduled draws on credit enhancements, if any, reflecting financial difficulties,

(e) substitution of credit or liquidity providers, if any, or their failure to perform,

(f) adverse tax opinions or events affecting the tax-exempt status of any of the Bonds,

(g) modifications to rights of Bondholders,

(h) bond calls,

(i) defeasances,

(j) release, substitution, or sale of property securing repayment of any of the Bonds, or

(k) rating changes.

In a timely manner, the Administration will give to the MSRB, notice of any failure by the Administration to provide any information as described above on or before the dates specified therein.

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 agrees 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 Bonds. Such holder's and beneficial owner's right to enforce the provisions of the Administration's undertaking is limited to a right to obtain specific enforcement of the Administration's obligation with respect thereto. 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 or any other Bonds issued under the Bond Resolution or under any related series resolution.

The provisions of the undertaking may be amended, with the consent of the holders or any beneficial owners of any of the Bonds, to the extent required or permitted by any amendment to the Rule becoming effective after the date of the undertaking.

The Borrower

The Borrower will enter into a Continuing Disclosure Agreement dated as of September 1, 2010 (the "Continuing Disclosure Agreement") with the Trustee, acting as the Dissemination Agent, obligating the Borrower to deliver certain financial information with respect to the Project to the Municipal Securities Rulemaking Board annually and to provide notice to the Municipal Securities Rulemaking Board, of certain enumerated events for the benefit of the Beneficial Owners and Holders of any of the Bonds, pursuant to the requirements of the Rule. See Appendix F – "FORM OF CONTINUING DISCLOSURE AGREEMENT."

Any failure by the Borrower or the Trustee, acting as Dissemination Agent, to perform in accordance with the Continuing Disclosure Agreement will not constitute a default or an Event of Default under the Bond Resolution or the Financing Agreement and the rights and remedies provided by the Bond Resolution and the Financing Agreement upon the occurrence of a default or an Event of Default shall not apply to any such failure. The holders' and Trustee's rights to enforce the provisions of the Continuing Disclosure Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the Borrower or the Borrower's obligations under the Continuing Disclosure Agreement. Nevertheless, such a failure to comply is required to be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability of the Bonds.

TAX MATTERS

Opinion of Bond Counsel

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

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

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

Bond Counsel to the Administration expresses no opinion regarding any other Federal or state tax consequences with respect to the Bonds, and renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update its opinion after the issue date to reflect any future action, fact or circumstance, or change in law or interpretation, or otherwise. Bond Counsel expresses no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for Federal income tax purposes of interest on the Bonds, or under state and local tax law.

Certain Ongoing Federal Tax Requirements and Covenants

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

Low Income Set Aside Requirements under the Code

The Bonds are subject to the low income set aside and other requirements for qualified residential rental projects under the Code which are described briefly in this subsection. The Code requires that at least 95 percent of the net proceeds of exempt facility bonds under Section 142(a)(7) (after reduction for amounts applied to fund a reasonably required reserve fund) be used to provide "qualified residential rental projects." The Code defines a residential rental project as a project containing units with separate and complete facilities for living, sleeping, eating, cooking, and sanitation that are available to the general public and are to be used on other than a transient basis. Section 142(d) of the Code requires that either (i) at least 20% of the completed units in a project to be financed with the proceeds of the Bonds be continuously occupied during the "qualified project period" by individuals and families whose annual adjusted income does not exceed 50% of the area median income (with adjustments for family size), or (ii) at least 40% of the completed units in a project to be financed with the proceeds of the Bonds be continuously occupied during the qualified project period by individuals and families whose annual adjusted income does not exceed 60% of the area median income (with adjustments for family size). The Administration will make elections on the applicable low income set aside requirements with respect to the Project prior to the Delivery Date. In addition, all of the units in the Project must be rented or available for rental on a continuous basis throughout the applicable qualified project period. The Code defines the "qualified project period" as the period beginning on the first day upon which 10% of the units in a project are occupied and ending on the latest of (i) the date that is 15 years after the date upon which 50% of the residential units in such project are occupied, (ii) the first day on which no tax exempt private activity bond issued with respect to the Project is outstanding, or (iii) the date upon which any assistance provided with respect to the Project under Section 8 of the United States Housing Act of 1937, as amended, terminates. A unit generally will meet the continuing low income set aside requirement so long as the tenant's income does not increase to more than 140% of the applicable income limitation. Generally, upon an increase of a tenant's income over 140% of the applicable income limitation, the next available unit of comparable or smaller size in the Project must be rented to a tenant whose income does not exceed the applicable income limitation. The Code requires annual certifications to be made to the Secretary of the Treasury regarding compliance with the applicable income limitations.

Certain Collateral Federal Tax Consequences

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

Prospective owners of the Bonds should be aware that the ownership of such obligations may result in collateral Federal income tax consequences to various categories of persons, such as corporations (including S Corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security or railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for

Federal income tax purposes. The extent of these collateral tax consequences will depend upon such owner's particular tax status and other items of income or deduction, and Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the Bonds should consult their tax advisors as to the tax consequences of purchasing or owning the Bonds. Interest on the Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

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

Due to the fact that the interest rate on the Series 2009 A-3 Bonds increases two months following the Release Date, the Series 2009 A-3 Bonds may be considered issued with original issue discount for federal income tax purposes.

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

Bond Premium

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

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

Information Reporting and Backup Withholding

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

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

Miscellaneous

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to Bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds or the market value thereof would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

RATINGS

Moody's (the "Rating Agency") has assigned its bond rating of "Aaa" to the Bonds. The ratings reflect only the view of the Rating Agency, and an explanation of the significance of such ratings may be obtained directly from the Rating Agency. There is no assurance that the current ratings will continue for any given period of time or that the current ratings will not be revised downward or withdrawn entirely if, in the judgment of the Rating Agency, circumstances so warrant. Any such downward revision or withdrawal of the rating the Bonds may have an adverse effect on the market price of the Bonds.

CERTAIN LEGAL MATTERS

The authorization, issuance and delivery of the Series 2010 C Bonds and the authorization and delivery of the Series 2009 A-3 Bonds are subject to receipt of the opinions of Kutak Rock LLP, Washington, D.C., Bond Counsel, which will be in substantially the form set forth in Appendix B-1 and Appendix B-2 (collectively, the "Bond Opinions"). The Bond Opinions will be limited to matters relating to authorization and validity of the Bonds and to the tax exempt status of the Bonds as described herein under the caption "TAX MATTERS." Bond Counsel has not been engaged to investigate the financial resources of the Borrower, the Servicer, Freddie Mac or any other source of payment of the Bonds, and the Bond Opinions will make no statement as to such matters.

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 be passed upon for Freddie Mac by its Legal Department and by its special counsel, Ballard Spahr LLP, Washington, D.C. Certain legal matters will be passed upon for the Underwriters by their counsel, Miles & Stockbridge, P.C.. Payment of the fees of certain counsel to the transaction is contingent upon the execution and delivery of the Bonds as described herein.

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

NO LITIGATION

The Borrower

There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before any court, public board or body, pending or, to the knowledge of the Borrower, threatened against the Borrower or the Project in any way contesting or affecting the rehabilitation of the Project or the transactions contemplated by or under the Bond Financing Documents and the Bond Mortgage Loan Documents.

The Administration

There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before any court, public board or body, pending or, to the knowledge of the Administration, threatened against the Administration restraining or enjoining the execution or delivery of the Bonds, or in any way contesting or affecting the validity thereof or the validity or enforceability of the Administration's obligations under the Bond Financing Documents.

ENFORCEABILITY OF REMEDIES

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

MISCELLANEOUS

Brief descriptions of the Administration, the sources of payment for the Bonds, the Bonds, the Project, the Borrower, the Servicer and Freddie Mac and a general summary of the Supplemental Resolution, the Financing Agreement, the Tax Regulatory Agreement, the Intercreditor Agreement and the Reimbursement Agreement are included in this Official Statement. The Credit Enhancement Agreement is attached hereto as Appendix C. All references herein to the Supplemental Resolution, the Financing Agreement, the Tax Regulatory Agreement, the Credit Enhancement Agreement, the Intercreditor Agreement, the Reimbursement Agreement and all other documents and agreements are qualified in their entirety by reference to such documents and agreements, and all references to the Bonds are qualified by reference to the form thereof included in the Supplemental Resolution, copies of which are available for inspection at the designated office of the Trustee.

Any statements in this Official Statement involving matters of opinion or forecast, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Administration, the Borrower, or Freddie Mac and the purchasers or owners of the Bonds.

The Administration makes no representations with respect to any information in this Official Statement other than the information under the headings "THE ISSUER" and "NO LITIGATION – The Administration." The Administration has not prepared or participated in the preparation of any portion of this Official Statement other than the portion under the headings "THE ISSUER" and "NO LITIGATION – The Administration."

Miles & Stockbridge P.C. is counsel to the Underwriters in connection with the issuance of the Series 2010 C Bonds, and a Principal of Miles & Stockbridge P.C. is a member of the Department's Revenue Bond Advisory Board (the "Board"). Underwriters' counsel had not been selected at the time the Board recommended to the Secretary the issuance of the Series 2010 C Bonds. No lawyer at Miles & Stockbridge P.C. participated in the selection of Underwriters' counsel in connection with the issuance of the Series 2010 C Bonds.

This Official Statement is submitted in connection with the offering of the Series 2010 C Bonds. Additionally, this Official Statement is deemed to be a supplement to the Official Statement of the Administration dated December 18, 2009 provided in connection with the conversion and re-designation of the Series 2009 A-3 Bonds.

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

This Official Statement has been approved and delivered by the Administration.

COMMUNITY DEVELOPMENT ADMINISTRATION

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

The execution and delivery of this Official Statement has been approved by the Borrower.

POPPLETON PARTNERS II, L.P., a Maryland limited partnership

By: NHTE Poppleton, LLC, a Maryland limited liability company, its Managing General Partner

By: National Housing Trust-Enterprise Preservation Corporation, a District of Columbia nonprofit corporation, its Sole Member

By: /s/Scott Kline
Scott Kline
Vice President

APPENDIX A

DEFINITIONS OF CERTAIN TERMS

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

"*Act*" means Sections 4-101 to 4-255, inclusive, of the Housing and Community Development Article of the Annotated Code of Maryland, as amended from time to time, including, without limitation, future amendments thereto.

"*Actual Bond Mortgage Loan Amount*" means the amount of the Bond Mortgage Loan that shall be outstanding on the Loan Conversion Date as determined by Freddie Mac in accordance with the Construction Phase Financing Agreement and the Commitment.

"Additional Interest Amount" means an amount equal to the difference between interest calculated on the Series 2009 NIBP Bonds at the Short-Term Rate and interest calculated on the Series 2009 NIBP Bond Mortgage Loan at the Permanent Rate for the period from and including the Release Date to, but not including, the Permanent Rate Conversion Date, which amount shall be payable by the Borrower to the Trustee for deposit to the Project Account on the Permanent Rate Conversion Date and deposited pursuant to the provisions of the Supplemental Resolution.

"Additional Issuer Fee" means the additional fee payable to the Issuer in an amount equal to (i) with respect to the Series 2009 NIBP Bond Mortgage Loan, 0.68% per annum on the outstanding principal of the Series 2009 NIBP Bond Mortgage Loan and (ii) with respect to the Series 2010 Bond Mortgage Loan, 0.00% per annum on the outstanding principal of the Series 2010 Bond Mortgage Loan; in each case, due on the applicable Interest Payment Date for the Bonds, from amounts received by the Trustee (i) from the Servicer representing payments by the Borrower under the Bond Mortgage Loan or (ii) from the Borrower for deposit to the Borrower Equity Account and application to such payment as directed in writing by the Borrower, pursuant to the Supplemental Resolution.

"*Administration*" or "*Issuer*" means the Community Development Administration (the "Administration"), a unit of the Division of Development Finance of the Department of Housing and Community Development, a principal department of the State.

"*Administration Fund*" means the Administration Fund established by the Trustee pursuant to Supplemental Resolution.

"*Affiliate*" means any Person if (a) the relationship to such Person would result in a disallowance of loss under Sections 267 or 707(b) of the Code or (b) such Person is a member of the same controlled group of corporations (as defined in Section 1563(a) of the Code, except that "more than 50%" shall be substituted for "at least 80 percent" each place it appears therein).

"*Appendix A*" means Appendix A to the Series Resolution, as modified from time to time.

"*Authorized Denomination*" means $5,000 and integral multiples thereof and, for purposes of the release and conversion and redemption of the Series 2009 A-3 Bonds, $10,000 or any integral multiple of $10,000 in excess thereof.

"*Authorized Officer*" means (a) when used with respect to the Administration, the Secretary, the Deputy Secretary of Housing and Community Development, the Director, the Deputy Director for Bond Finance, any Director of any program or division of the Administration or any other Person duly authorized by the Secretary to perform such act or discharge such duty, (b) when used with respect to the Borrower, any general partner of the Borrower and such additional Person or Persons, if any, duly designated by the Borrower in writing to act on its behalf, (c) when used with respect to the Trustee, any authorized signatory of the Trustee, or any Person who is authorized in writing to take the action in question on behalf of the Trustee, (d) when used with respect to the Servicer, any Person or Persons duly designated by the Servicer in writing to act on its behalf, (e) when used with respect to the Credit Facility Provider, any Person who is authorized in writing to take the action in question on behalf of the Credit Facility Provider and (f) prior to Loan Conversion, when used with respect to the Construction Phase Credit Facility Provider, any person who is authorized in writing to take the action in question on behalf of the Construction Phase Credit Facility Provider.

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

"*Bond Counsel*" means (i) on the Delivery Date, the law firm or law firms delivering the approving opinion(s) with respect to the Bonds, or (ii) any other firm of attorneys selected by the Administration that is experienced in matters relating to the issuance of obligations by states and their political subdivisions that is listed as municipal bond attorneys in The Bond Buyer's Municipal Marketplace and is acceptable to the Credit Facility Provider.

"*Bond Fee Component*" means the regular, ongoing fees due from time to time to the Administration, the Trustee, the Dissemination Agent, the Custodian and the Rebate Analyst, if any, expressed as a flat, fixed amount or in terms of a percentage of the principal amount of Outstanding Bonds (including Purchased Bonds) on an annual basis.

"*Bond Financing Documents*" means, collectively, the Bond Resolution, the Series Resolution, the Supplemental Resolution, the Bonds, the Purchase Contract, the Financing Agreement, the Tax Certificate, the Continuing Disclosure Agreement and any Bond Mortgage Loan Documents not otherwise included in the foregoing list of documents.

"*Bond Fund*" means the Bond Fund established by the Trustee pursuant to the Supplemental Resolution.

"*Bond Mortgage*" means the Multifamily Deed of Trust, Assignment of Rents and Security Agreement dated as of the date of the Supplemental Resolution, together with all riders and addenda thereto, granting a first priority mortgage and security interest in the Project to the Administration and Freddie Mac, as their interest may appear, to secure (i) the Borrower's obligations to the Administration under the Bond Mortgage Note and (ii) the Borrower's obligations to Freddie Mac under the Reimbursement Agreement, as the same may be amended, supplemented or restated.

"*Bond Mortgage Loan*" means, together, the loan funded from the proceeds of the Series 2009 A-3 Bond Mortgage Loan and the Series 2010 C Bond Mortgage Loan.

"*Bond Mortgage Loan Documents*" means the Bond Mortgage, the Bond Mortgage Note, the Financing Agreement, the Tax Regulatory Agreement, any Custodial Escrow Agreement, the Credit Facility, the Reimbursement Agreement, the Intercreditor Agreement, the Pledge Agreement and any and all other instruments and other documents evidencing, securing, or otherwise relating to the Bond

Mortgage Loan or any portion thereof, or evidencing, securing or otherwise relating to the Borrower's obligations to the Credit Facility Provider in connection with the delivery of the Credit Facility.

"*Bond Mortgage Loan Fund*" means the Bond Mortgage Loan Fund established by the Trustee pursuant to the Supplemental Resolution.

"*Bond Mortgage Note*" means the Bond Mortgage Note dated September 29, 2010 from the Borrower, including all riders and addenda thereto, evidencing the Borrower's obligation to repay the Bond Mortgage Loan, as the same may be amended, supplemented or restated from time to time, which Bond Mortgage Note will be delivered to the Administration and endorsed by the Administration to the Trustee.

"*Bond Register*" means the books or other records maintained by the Bond Registrar setting forth the registered Holders from time to time of the Bonds.

"*Bond Registrar*" means the Trustee acting as such, and any other bond registrar appointed pursuant to the Supplemental Resolution.

"*Bond Resolution*" means the Resolution Providing for the Issuance of Multi-Family Mortgage Revenue Bonds adopted as of December 1, 2009, as the same may be amended.

"*Bond Year*" means, with respect to an issue of Bonds, each one-year period that ends at the close of business on the day in the calendar year that is selected by Borrower as indicated in the Tax Certificate. The first and last Bond Years may be short periods. If no day is selected by Borrower before the earlier of the final maturity of an issue of Bonds or the date that is five years after the Delivery Date of such issue of Bonds, each Bond Year ends on each anniversary of the Delivery Date for such issue of Bonds and on the final maturity of such issue of Bonds.

"*Bondholder*" or "*Holder*" or "*Owner*" means any Person who shall be the registered owner of any Outstanding Bond or Bonds.

"*Bonds*" means, collectively, the Series 2009 A-3 Bonds and the Series 2010 C Bonds.

"*Borrower*" means Poppleton Partners II, L.P., a Maryland limited partnership duly organized and existing under the laws of the State, or any of its permitted successors or assigns, as owner of the Project.

"*Borrower Default*" has the meaning given to that term in the Construction Phase Financing Agreement.

"*Borrower Equity Account*" means the Borrower Equity Account of the Bond Mortgage Loan Fund established by the Trustee pursuant to the Supplemental Resolution.

"*Business Day*" means any day other than (a) a Saturday, (b) a Sunday, (c) a day on which the Federal Reserve Bank of New York (or other agent acting as the Credit Facility Provider's fiscal agent identified to the Trustee) is authorized or obligated by law or executive order to remain closed, (d) a day on which the Principal Office of the Credit Facility Provider or the Construction Phase Credit Facility Provider is closed or (e) a day on which (i) banking institutions in the City of New York or in the city in which the Principal Office of the Trustee, the Credit Facility Provider or the Construction Phase Credit Facility Provider is located are authorized or obligated by law or executive order to be closed or (ii) the New York Stock Exchange is closed.

"*Code*" means the Internal Revenue Code of 1986 and the regulations promulgated thereunder.

"*Commitment*" means the forward commitment from Freddie Mac to the Servicer pursuant to which Freddie Mac has agreed to provide credit enhancement for the Bond Mortgage Loan, as the same may be amended, modified or supplemented from time to time.

"*Conditions to Loan Conversion*" means the conditions set forth in Exhibit B to the Construction Phase Financing Agreement.

"*Construction Lender Default*" has the meaning given to that term in the Construction Phase Financing Agreement.

"*Construction Phase*" has the meaning given to that term in the Construction Phase Financing Agreement.

"*Construction Phase Credit Documents*" means, individually and collectively, the Construction Phase Financing Agreement, the Construction Phase Credit Facility, the Construction Phase Credit Reimbursement Agreement and all other documents evidencing, securing or otherwise relating to the Construction Phase Credit Facility, including all amendments, modifications, supplements and restatements of such documents.

"*Construction Phase Credit Facility*" means the Letter of Credit or any replacement construction phase credit facility acceptable to the Credit Facility Provider.

"*Construction Phase Credit Facility Provider*" means Bank of America, N.A., a national banking association, organized and operating under the laws of the United States of America, as provider of the Construction Phase Credit Facility, and its successors and assigns.

"*Construction Phase Credit Reimbursement Agreement*" means the Letter of Credit Reimbursement Agreement between the Borrower and the Construction Phase Credit Facility Provider, as such agreement may be amended, modified, supplemented or restated from time to time.

"*Construction Phase Financing Agreement*" means the Construction Phase Financing Agreement dated as of the date of the Supplemental Resolution, by and among Freddie Mac, the Construction Phase Credit Facility Provider and the Servicer, as such agreement may be amended, modified, supplemented or restated from time to time.

"*Construction Wrongful Dishonor*" means the failure of the Construction Phase Credit Facility Provider to honor a draw made in accordance with the terms of the Construction Phase Credit Facility (which draw strictly complies with, and conforms to, the terms and conditions of the Construction Phase Credit Facility) or the insolvency of the Construction Phase Credit Facility Provider as defined in the Construction Phase Financing Agreement.

"*Continuing Disclosure Agreement*" means, together, (i) the Secretarial Determination In Connection With Secondary Market Disclosure of SEC Rule 15c2-12, dated September 29, 2010 and (ii) the Continuing Disclosure Agreement, dated as of September 1, 2010, by and between the Borrower and the Dissemination Agent, in each case, as such Continuing Disclosure Agreement may from time to time be amended or supplemented.

"*Cost*," "*Costs*" or "*Costs of the Project*" means costs paid with respect to the Project that are (i) properly chargeable to capital account (or would be so chargeable with a proper election by the Borrower or but for a proper election by the Borrower to deduct such costs) in accordance with general Federal income tax principles and in accordance with United States Treasury Regulations Section 1.103-8(a)(1), (ii) are paid with respect to a qualified residential rental project or projects within the meaning of Section 142(d) of the Code, (iii) are paid after the earlier of 60 days prior to the date of a resolution of the Administration to reimburse costs of the Project with proceeds of Bonds or the date of issue of the Bonds, and (iv) if the Costs of the Project were previously paid and are to be reimbursed with proceeds of the Bonds such costs were (A) costs of issuance of the Bonds, (B) preliminary capital expenditures (within the meaning of United States Treasury Regulations Section 1.150-2(f)(2)) with respect to the Project (such as architectural, engineering and soil testing services) incurred before commencement of acquisition, construction and rehabilitation of the Project that do not exceed twenty percent (20%) of the issue price of the Bonds (as defined in United States Treasury Regulations Section 1.148-1), or (C) were capital expenditures with respect to the Project that are reimbursed no later than eighteen (18) months after the later of the date the expenditure was paid or the date the Project is placed in service (but no later than three (3) years after the expenditure is paid); provided however, that if any portion of the Project are being constructed or developed by the Borrower or an Affiliate (whether as a developer, a general contractor or a subcontractor), "Cost," "Costs" or "Costs of the Project" shall include only (a) the actual out-of-pocket costs incurred by the Borrower or such Affiliate in developing or constructing the Project (or any portion thereof), (b) any reasonable fees for supervisory services actually rendered by the Borrower or such Affiliate (but excluding any profit component) and (c) any overhead expenses incurred by the Borrower or such Affiliate which are directly attributable to the work performed on the Project, and shall not include, for example, intercompany profits resulting from members of an affiliated group (within the meaning of Section 1504 of the Code) participating in the construction and rehabilitation of the Project or payments received by such Affiliate due to early completion of the Project (or any portion thereof).

"*Costs of Issuance*" means (i) the fees (excluding ongoing fees), costs and expenses of (a) the Administration, the Administration's counsel and the Administration's financial advisor, (b) Bond Counsel, (c) the Trustee and the Trustee's counsel, (d) the Servicer and the Servicer's counsel, if any, (e) the Credit Facility Provider and the Credit Facility Provider's counsel, (f) the Borrower's counsel attributable to the release and conversion of the Series 2009 A-3 Bonds and the issuance and sale of the Series 2010 C Bonds and the Borrower's financial advisor, if any, (g) the Construction Phase Credit Facility Provider and the Construction Phase Credit Facility Provider's counsel and (h) the Rating Agency, (ii) costs of printing the offering documents relating to the release and conversion of the Series 2009 A-3 Bonds and the issuance and sale of the Series 2010 C Bonds, (iii) the Underwriters' discount or the fee of the Underwriters and (iv) all other fees, costs and expenses directly associated with the authorization, modification, conversion, release, issuance, sale and/or delivery of the Bonds, as applicable, including, without limitation, printing costs, costs of reproducing documents, filing and recording fees.

"*Costs of Issuance Fund*" means the Costs of Issuance Fund established by the Trustee pursuant to the Supplemental Resolution.

"*Credit Enhancement Agreement*" means the Credit Enhancement Agreement dated as of the date of the Supplemental Resolution between Freddie Mac and the Trustee, as such Credit Enhancement Agreement may from time to time be amended or supplemented.

"*Credit Facility*" means the Credit Enhancement Agreement.

"*Credit Facility Account*" means the Credit Facility Account of the Revenue Fund established by the Trustee pursuant to the Supplemental Resolution.

"*Credit Facility Interest Reimbursement Account*" means the Credit Facility Interest Reimbursement Account of the Credit Facility Reimbursement Fund established by the Trustee, for the benefit of Freddie Mac, pursuant to the Supplemental Resolution.

"*Credit Facility Principal Reimbursement Account*" means the Credit Facility Principal Reimbursement Account of the Credit Facility Reimbursement Fund established by the Trustee, for the benefit of Freddie Mac, pursuant to the Supplemental Resolution.

"*Credit Facility Provider*" means Freddie Mac.

"*Credit Facility Reimbursement Fund*" means the Credit Facility Reimbursement Fund established by the Trustee, for the benefit of Freddie Mac, pursuant to the Supplemental Resolution.

"*Custodial Escrow Account*" means, collectively, the account or accounts established and held by the Servicer from and after the Loan Conversion Date in accordance with the Guide or otherwise, for the purpose of funding (a) escrows for taxes, insurance and related payments and costs, if required by the Credit Facility Provider, (b) a reserve for replacements for the Project, if required by the Credit Facility Provider, and (c) a debt service reserve for the Bond Mortgage Loan, if required by the Credit Facility Provider.

"*Custodial Escrow Agreement*" means any agreement (which agreement may be the Guide or the Commitment as applicable) pursuant to which a Custodial Escrow Account is established and maintained.

"*Custodian*" means Manufacturers and Traders Trust Company, a New York banking corporation, not in its individual capacity but solely in its capacity as collateral agent for the Credit Facility Provider under the Pledge Agreement, and any successor in such capacity.

"*Delivery Date*" means September 29, 2010, which is the Release Date with respect to the Series 2009 A-3 Bonds and the date of initial issuance and delivery of the Series 2010 C Bonds to the initial purchasers thereof against payment therefor.

"*Direction to Draw*" has the meaning given to that term in the Construction Phase Financing Agreement.

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

"Dissemination Agent's Fee" means the Dissemination Agent's fees and expenses in rendering its services under the Continuing Disclosure Agreement, which fee is equal to $60 per filing, plus any expenses incurred in connection therewith.

"*DTC*" means The Depository Trust Company, New York, New York, as initial Securities Depository for the Bonds pursuant to the Supplemental Resolution or its successors.

"*Electronic Notice*" means delivery of notice in a Word format or a Portable Document Format (PDF) by electronic mail to the electronic mail addresses listed in the Supplemental Resolution; provided, that if a sender receives notice that the electronic mail is undeliverable, notice must be sent as otherwise required by the Supplemental Resolution.

"*Eligible Funds*" means (a) proceeds received pursuant to the Credit Facility, (b) proceeds of the Bonds received contemporaneously with the release and conversion of the Series 2009 A-3 Bonds and the issuance and sale of the Series 2010 C Bonds (including any Bond proceeds deposited to the Project Account of the Bond Mortgage Loan Fund on the Delivery Date), (c) proceeds from the investment or reinvestment of money described in clauses (a) and (b) above, or (d) money delivered to the Trustee and accompanied by a written opinion, acceptable to the Rating Agency, of nationally recognized counsel experienced in bankruptcy matters to the effect that if the Borrower, any general partner, member or guarantor of the Borrower, or the Administration were to become a debtor in a proceeding under the Bankruptcy Code: (i) payment of such money to holders of the Bonds would not constitute a voidable preference under Section 547 of the Bankruptcy Code and (ii) the automatic stay provisions of Section 362(a) of the Bankruptcy Code would not prevent application of such money to the payment of the Bonds.

"*Event of Default*" means any of those events specified in and defined by the applicable provisions of the Supplemental Resolution to constitute an event of default.

"*Extraordinary Services*" means and includes, but not by way of limitation, services, actions and things carried out and all expenses incurred by the Trustee, including in its capacity as Paying Agent and Bond Registrar, in respect of or to prevent default under the Supplemental Resolution or the Bond Mortgage Loan Documents, including any reasonable attorneys' or agents' fees and expenses and other litigation costs that are entitled to reimbursement under the terms of the Financing Agreement, and other actions taken and carried out by the Trustee which are not expressly set forth in the Supplemental Resolution or the Bond Mortgage Loan Documents.

"*Extraordinary Servicing Fees and Expenses*" means all fees and expenses of the Servicer under the Guide during any Bond Year in excess of Ordinary Servicing Fees and Expenses.

"*Extraordinary Trustee's Fees and Expenses*" means all those fees, expenses and disbursements earned or incurred by the Trustee as described under the Supplemental Resolution during any Bond Year for Extraordinary Services, as set forth in a detailed invoice to the Borrower and the Credit Facility Provider.

"*Fair Market Value*" means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (a) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (b) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (c) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (d) any commingled investment fund in which the Administration and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of investment.

"*Financing Agreement*" means the Financing Agreement dated as of the date of the Supplemental Resolution among the Borrower, the Administration and the Trustee, as such Financing Agreement may from time to time be amended or supplemented.

"*Forward Commitment Maturity Date*" means September 1, 2012, unless extended by Freddie Mac in accordance with the Freddie Mac Commitment and the Guide.

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

"Freddie Mac" means the Federal Home Loan Mortgage Corporation, a shareholder owned government sponsored enterprise organized and existing under the laws of the United States, and its successors and assigns.

"*Freddie Mac Credit Enhancement Fee*" shall have the meaning given to that term in the Reimbursement Agreement.

"*Freddie Mac Credit Enhancement Payment*" shall have the meaning given to that term in the Credit Enhancement Agreement.

"*Freddie Mac Reimbursement Amount*" shall have the meaning given to that term in the Reimbursement Agreement.

"*Government Obligations*" means investments meeting the requirements of clauses (a) or (b) of the definition of "Qualified Investments" herein.

"*Guaranteed Payment*" means the amount required to be paid to the Trustee pursuant to the Credit Facility, provided that so long as the Credit Enhancement Agreement is the Credit Facility, "Guaranteed Payment" shall have the meaning given to that term in the Credit Enhancement Agreement.

"*Guide*" means the Freddie Mac Delegated Underwriting for Targeted Affordable Housing Guide and Freddie Mac Multifamily Seller/Servicer Guide (as applicable), as the same may be amended, modified or supplemented from time to time.

"*Information Services*" means in accordance with then current guidelines of the Securities and Exchange Commission, one or more services selected by the Trustee which are then providing information with respect to called Bonds, or, if the Trustee does not select a service, then such service or services as the Administration may designate in a certificate of the Administration delivered to the Trustee.

"*Intercreditor Agreement*" means the Intercreditor Agreement dated as of the date of the Supplemental Resolution among the Administration, the Trustee, Freddie Mac and the Construction Phase Credit Facility Provider, as the same may be amended or supplemented.

"*Interest Payment Date*" means, (a) with respect to the Series 2009 A-3 Bonds, following the payment of interest due on the Release Date, on (i) November 29, 2010 and January 1 and July 1 of each year, commencing January 1, 2011 and (ii) for Series 2009 A-3 Bonds subject to redemption but only with respect to such Series 2009 A-3 Bonds, the date of redemption (or purchase in lieu of redemption) and (b) with respect to the Series 2010 C Bonds, (i) January 1 and July 1 of each year, commencing January 1, 2011 and (ii) for Series 2010 C Bonds subject to redemption but only with respect to such Series 2010 C Bonds, the date of redemption (or purchase in lieu of redemption).

"*Investment Income*" means the earnings and profits derived from the investment of money pursuant to Section 4.08 of the Supplemental Resolution.

"*Issuer Fee*" means the Administration's annual fee equal to 0.25% of the outstanding principal amount of the Bond Mortgage Loan, payable semiannually in arrears on each January 1, and July 1, commencing January 1, 2011.

"*Letter of Credit*" means, collectively, (i) the clean unconditional and irrevocable, standby letter of credit delivered to, and for the sole benefit of, Freddie Mac by the Construction Phase Credit Facility Provider in accordance with the terms of the Construction Phase Financing Agreement with respect to the Series 2009 A-3 Bonds, together with any amendment delivered with respect to such letter of credit and (ii) the clean unconditional and irrevocable, standby letter of credit delivered to, and for the sole benefit of, Freddie Mac by the Construction Phase Credit Facility Provider in accordance with the terms of the Construction Phase Financing Agreement with respect to the Series 2010 C Bonds, together with any amendment delivered with respect to such letter of credit.

"Loan Conversion" means the conversion of the Bond Mortgage Loan from the Construction Phase to the Permanent Phase.

"*Loan Conversion Date*" means the date specified as such by the Servicer in the Notice of Loan Conversion, which date shall be at least ten (10) days following the date on which the Notice of Loan Conversion is delivered and shall be any Business Day of a month.

"*Loan Differential*" means the difference between the original principal amount of the Series 2009 A-3 Bond Mortgage Loan made to the Borrower pursuant to the Financing Agreement and the Actual Bond Mortgage Loan Amount, as determined by Freddie Mac in its discretion.

"*Loan Equalization Payment*" means a mandatory prepayment of a portion of the Series 2009 A-3 Bond Mortgage Loan in the amount of the Loan Differential at the discretion of Freddie Mac so as to cause a partial redemption of the Series 2009 A-3 Bonds.

"*Maturity Date*" means the maturity dates of the Series 2009 A-3 Bonds and the Series 2010 C Bonds, as applicable, set forth on the inside cover of this Official Statement.

"*Moody's*" means Moody's Investors Service, Inc., its successors and assigns, if such successors and assigns continue to perform the services of a securities rating agency.

"*Net Proceeds*" when used with respect to any insurance or condemnation award, means the proceeds from the insurance or condemnation award with respect to which that term is used remaining after payment of all reasonable expenses incurred in the collection of such insurance proceeds or condemnation award, including reasonable attorney fees.

"*Notice of Loan Conversion*" means a written notice to be delivered not less than ten (10) days prior to the Loan Conversion Date by the Servicer to the Administration, the Trustee, the Borrower, the Construction Phase Credit Facility Provider and Freddie Mac (i) stating that the Conditions to Loan Conversion have been satisfied on or before the Forward Commitment Maturity Date or, if any Condition to Loan Conversion has not been satisfied on or before the Forward Commitment Maturity Date, stating that such Condition to Loan Conversion has been waived in writing by Freddie Mac (if a waiver is permitted) on or before the Forward Commitment Maturity Date, (ii) confirming the Loan Conversion Date and (iii) providing the schedule of deposits to the Credit Facility Reimbursement Fund provided for in the Reimbursement Agreement.

"*Official Statement*" means this Official Statement dated September 16, 2010 relating to the release and conversion of the Series 2009 A-3 Bonds and to the sale and issuance of the Series 2010 C Bonds, as the same may be supplemented or amended.

"*Ordinary Servicing Fees and Expenses*" means the ordinary fees payable to the Servicer in connection with the servicing of the Bond Mortgage Loan under the Guide, payable monthly in arrears as provided in the Reimbursement Agreement.

"*Ordinary Trustee's Fees and Expenses*" means the annual administration fee for the Trustee's ordinary fees and expenses in rendering its services under the Supplemental Resolution as Trustee during each twelve month period, which fee is equal to (and shall not exceed) (i) $1,062.50 per series, payable on the Delivery Date, and (ii) $4,250 per series, payable semi-annually in advance on each January 1 and July 1 commencing January 1, 2011.

"*Original Resolution*" means, together, the Bond Resolution and the Series Resolution (including Appendix A), as the same may be amended, modified or supplemented from time to time.

"*Outstanding*" when used with respect to the Bonds or "Bonds Outstanding" means, as of any date, all Bonds that have been duly authenticated and delivered by the Trustee under the Supplemental Resolution, except:

(a) Bonds surrendered and replaced upon exchange or transfer, or cancelled because of payment or redemption, at or prior to such date;

(b) Bonds for the payment, redemption or purchase for cancellation of which sufficient money has been deposited prior to such date with the Trustee (whether upon or prior to the maturity, amortization or redemption date of any such Bonds), or which are deemed to have been paid and discharged pursuant to the provisions of the Supplemental Resolution; provided that if such Bonds are to be redeemed prior to the maturity thereof, other than by scheduled amortization, 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 others have been authenticated (or payment, when due, of which is made without replacement) under the Supplemental Resolution; and also except that

(d) For the purpose of determining whether the holders of the requisite amount of Bonds Outstanding have made or concurred in any notice, request, demand, direction, consent, approval, order, waiver, acceptance, appointment or other instrument or communication under or pursuant to the Supplemental Resolution, Bonds actually known to the Trustee to be owned by or for the account of the Borrower or any Person owned, controlled by, under common control with or controlling the Borrower shall be disregarded and deemed to be not Outstanding, unless all Bonds shall be so owned, and provided that a Responsible Officer of the Trustee has actual knowledge of the foregoing; provided, further, that all Purchased Bonds shall be deemed to be Outstanding, and the Trustee shall follow any direction provided by the Credit Facility Provider with respect to Purchased Bonds for the purposes of the Supplemental Resolution (Bonds so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee shall establish, to the satisfaction of the Trustee, the pledgee's right to vote such Bonds, and in the event of a dispute as to the existence of such right, any decision by the Trustee taken upon the advice of counsel shall constitute full protection to the Trustee). The term "control" (including the terms "controlling", "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise. Beneficial ownership of 5% or more of a class of securities having general voting power to elect a majority of the board of directors of a corporation shall be conclusive evidence of control of such corporation.

"*Paying Agent*" means the Trustee acting as such, or any other paying agent appointed pursuant to the Supplemental Resolution.

"*Permanent Phase*" has the meaning given to that term in the Construction Phase Financing Agreement.

"*Permanent Rate*" means, with respect to the Series 2009 A-3 Bonds, 3.21% per annum (the sum of 2.61% per annum, plus the Spread).

"*Permanent Rate Conversion Date*" means, with respect to the Series 2009 A-3 Bonds, November 29, 2010.

"*Person*" means an individual, a corporation, a partnership, an association, a joint stock company, a joint venture, a trust, an unincorporated association, a limited liability company or a government or any agency or political subdivision thereof, or any other organization or entity (whether governmental or private).

"*Pledge Agreement*" means that certain Pledge, Security and Custody Agreement dated as of the date of the Supplemental Resolution by and among, Freddie Mac, the Custodian and the Borrower, as originally executed or as modified or amended from time to time.

"*Principal Office of the Credit Facility Provider*" means the office of Freddie Mac located at 8100 Jones Branch Drive, McLean, VA 22102, or such other office or offices as Freddie Mac may designate in writing from time to time.

"*Principal Office of the Trustee*" means the office of the Trustee referenced in the Supplemental Resolution, or such other office or offices as the Trustee may designate in writing from time to time, or the office of any successor Trustee where it principally conducts its business of serving as trustee under indentures pursuant to which municipal or governmental obligations are issued.

"*Project*" means, collectively, the land and residential rental apartment units, and related fixtures, equipment, furnishings and site improvements known as Poppleton Apartments II located at 838 W. Fairmont Avenue, the 800 and 900 blocks of West Fayette Street and the 800 block of Vine Street in Baltimore City, Maryland 21201, including the real estate described in the Bond Mortgage.

"*Project Account*" means the Project Account of the Bond Mortgage Loan Fund established by the Trustee pursuant to the Supplemental Resolution.

"Purchase Contract" means the Purchase Contract, dated as of September 16, 2010, by and among the Administration, the Underwriters and the Borrower relating to the sale of the Series 2010 Bonds.

"*Purchase Price*" means, with respect to any Bond to be purchased pursuant to the Supplemental Resolution, the principal amount of such Bond plus any redemption premium due thereon plus interest accrued thereon to the Settlement Date.

"*Purchased Bond*" means any Bond during the period from and including the date of its purchase by the Trustee on behalf of the Borrower with amounts provided by the Credit Facility Provider under the Credit Facility, to, but excluding, the date on which such Bond is (a) transferred pursuant to and in accordance with the Supplemental Resolution or (b) redeemed or otherwise cancelled.

"*Qualified Investments*" means any of the following if and to the extent permitted by law: (a) direct and general obligations of the United States of America; (b) obligations of any agency or instrumentality of the United States of America the payment of the principal of and interest on which are unconditionally guaranteed by the full faith and credit of the United States of America; (c) senior debt obligations of Freddie Mac; (d) senior debt obligations of Fannie Mae; (e) demand deposits or time deposits with, or certificates of deposit issued by, the Trustee or its affiliates or any bank organized under the laws of the United States of America or any state or the District of Columbia which has combined capital, surplus and undivided profits of not less than $50,000,000; provided that the Trustee or such other institution has been rated at least "VMIG 1" by Moody's which deposits or certificates are fully insured by the Federal Deposit Insurance Corporation or collateralized pursuant to the requirements of the Office of the Comptroller of the Currency; (f) investment agreements with Freddie Mac or a bank or any insurance company or other financial institution which has a rating assigned by Moody's to its outstanding long term unsecured debt which is the highest rating (as defined below) for long term unsecured debt obligations assigned by Moody's, and which are approved by the Credit Facility Provider and the Construction Phase Credit Facility Provider; (g) shares or units in any money market mutual fund (including mutual funds of the Trustee or its affiliates or for which the Trustee or an affiliate thereof serves as investment advisor or provides other services to such mutual fund receives reasonable compensation therefor) registered under the Investment Company Act of 1940, as amended, whose investment portfolio consists solely of (A) direct obligations of the government of the United States of America, or (B) tax exempt obligations and which fund has been rated "Aaa" Moody's; or (h)(i) tax exempt obligations rated in the highest short term rating category by Moody's or S&P, or (ii) shares of a tax-exempt municipal money market mutual fund or other collective investment fund registered under the federal Investment Company Act of 1940, whose shares are registered under the federal Securities Act of 1933, having assets of at least $100,000,000, and having a rating of "Aaa" by the Rating Agency, for which at least 95% of the income paid to the holders on interest in such money market fund will be excludable from gross income under Section 103 of the Code, including money market funds for which the Trustee or its affiliates serve as investment advisor or provide other services to such fund and receive reasonable compensation therefor; or (i) any other investments approved in writing by the Credit Facility Provider and the Construction Phase Credit Facility Provider. For purposes of this definition, the "highest rating" shall mean a rating of at least "VMIG 1" for obligations with less than one year maturity; at least "Aaa"/"VMIG 1" for obligations with a maturity of one year or greater but less than three years; and at least "Aaa" for obligations with a maturity of three years or greater. Qualified Investments must be limited to instruments that have a predetermined fixed dollar amount of principal due at maturity that cannot vary or change and interest, if tied to an index, shall be tied to a single interest rate index plus a single fixed spread, if any, and move proportionately with such index.

"*Rating Agency*" means each national rating agency then maintaining a rating on the Bonds, or any successor or assign thereof.

"*Rebate Analyst*" means a certified public accountant, financial analyst or bond counsel, or any firm of the foregoing, or financial institution (which may include the Trustee) experienced in making the arbitrage and rebate calculations required pursuant to Section 148 of the Code, selected and retained by the Borrower at the expense of the Borrower, with the prior written consent of the Administration, to make the computations required under the Supplemental Resolution and the Financing Agreement.

"*Rebate Fund*" means the Rebate Fund established by the Trustee pursuant to the Supplemental Resolution.

"*Record Date*" means the 15th day of the month preceding the month in which any Interest Payment Date falls.

"*Redemption Fund*" means the Redemption Fund established by the Trustee pursuant to the Supplemental Resolution.

"*Reimbursement Agreement*" means the Reimbursement and Security Agreement dated as of the date of the Supplemental Resolution between the Borrower and Freddie Mac, as the same may be amended, supplemented or restated from time to time.

"*Reimbursement Security Documents*" has the meaning given to that term in the Reimbursement Agreement.

"*Release Date*" means September 29, 2010, with respect to the Series 2009 A-3 Bonds.

"*Released Proceeds*" means proceeds of the Series 2009 A-3 Bonds released from escrow on the Release Date as provided in the Bond Resolution and the Series Resolution.

"*Requisition*" means, with respect to the Bond Mortgage Loan Fund, the requisition in the form of Exhibit E to the Supplemental Resolution required to be submitted in connection with disbursements from the Project Account and/or the Borrower Equity Account of the Bond Mortgage Loan Fund, and with respect to the Costs of Issuance Fund, the requisition in the form of Exhibit D to the Supplemental Resolution required to be submitted in connection with disbursements from the Costs of Issuance Fund.

"*Responsible Officer*" means any officer of the Trustee employed within the corporate trust department of the Trustee and having regular responsibility in connection with the trusts created under the Supplemental Resolution.

"*Revenue Fund*" means the Revenue Fund established by the Trustee pursuant to the Supplemental Resolution.

"*Revenues*" means (a) all payments made with respect to the Bond Mortgage Loan pursuant to the Financing Agreement, the Bond Mortgage Note or the Bond Mortgage, including all casualty or other insurance benefits and condemnation awards paid in connection therewith (subject in all events to the interests of the Credit Facility Provider therein under the terms of the Credit Facility and the Reimbursement Security Documents), (b) payments made by the Credit Facility Provider pursuant to the Credit Facility and (c) all money and securities held by the Trustee in the funds and accounts established pursuant to the Supplemental Resolution (excluding money or securities designated for deposit into and held in the Costs of Issuance Fund, the Administration Fund, the Borrower Equity Account, the Credit Facility Reimbursement Fund and the Rebate Fund), together with all investment earnings thereon.

"*S&P*" means Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc., and its successors and assigns, if such successors and assigns continue to perform the services of a securities rating agency.

"*Secretary*" means the Secretary of Housing and Community Development of the State.

"*Securities Depository*" means (a) The Depository Trust Company, 711 Stewart Avenue, Garden City, NY 11530, facsimile: (516) 227 4039 or (516) 227 4190; or (b) any replacement registered securities depository which has been designated in a certificate of the Administration delivered to the Trustee and the Credit Facility Provider pursuant to the Supplemental Resolution.

"*Series Resolution*" means the Series Resolution Providing for the Issuance and Sale of $92,040,000 Principal Amount of Multi-Family Mortgage Revenue Bonds Series 2009 A of the Administration, adopted as of December 1, 2009.

"*Series 2009 A Bonds*" means the Community Development Administration Maryland Department of Housing and Community Development Multi-Family Mortgage Revenue Bonds Series 2009 A in the original aggregate principal amount of $92,040,000, issued pursuant to the Bond Resolution and the Series Resolution, a portion of which has been re-designated, "Multi-Family Mortgage Revenue Bonds Series 2009 A-3 pursuant to the Supplemental Resolution.

"*Series 2009 A-3 Bond Mortgage Loan*" means the portion of the Bond Mortgage Loan made by the Administration to the Borrower in the original principal amount of $5,410,000, with the proceeds of the Series 2009 A-3 Bonds.

"*Series 2009 A-3 Bonds*" means the Community Development Administration Maryland Department of Housing and Community Development Multi-Family Mortgage Revenue Bonds Series 2009 A-3 issued pursuant to the provisions of the Bond Resolution, the Series Resolution and the Supplemental Resolution.

"*Series 2010 C Bond Mortgage Loan*" means the portion of the Bond Mortgage Loan made by the Administration to the Borrower in the original principal amount of $4,105,000, with the proceeds of the Series 2010 C Bonds.

"*Series 2010 C Bonds*" means the Community Development Administration Maryland Department of Housing and Community Development Multi-Family Mortgage Revenue Bonds Series 2010 C issued pursuant to the provisions of the Bond Resolution, the Series Resolution and the Supplemental Resolution.

"*Servicer*" means the eligible servicing institution designated by Freddie Mac from time to time (which may be Freddie Mac if Freddie Mac elects to service the Bond Mortgage Loan), or its successor, as servicer of the Bond Mortgage Loan. Initially, the Servicer shall be Prudential Affordable Mortgage Company.

"*Settlement Date*" means any date on which any Bond is purchased or deemed purchased pursuant to the Supplemental Resolution.

"*Short-Term Rate*" means, from the Release Date to the Conversion Date, an interest rate equal to the sum of 60 basis points plus the lesser of (A) the Four Week T-Bill Rate as of the second Business Day prior to the Release Date or (B) the Permanent Rate.

"*Special Purchase Bonds*" has the meaning given to that term in the Supplemental Resolution.

"*Special Purchase Date*" has the meaning given to that term the Supplemental Resolution.

"*Special Purchase Price*" has the meaning given to that term in the Supplemental Resolution.

"*Spread*" means 0.60 percent.

"*State*" means the State of Maryland.

"*Supplemental Resolution*" means the Supplemental Series Resolution Providing for the Delivery of Multi-Family Mortgage Revenue Bonds Series 2009 A-3 and Providing for the Issuance and Delivery of Multi-Family Mortgage Revenue Bonds Series 2010 C of the Community Development Administration Maryland Department of Housing and Community Development, adopted as of September 1, 2010.

"*Tax Certificate*" means the Administration's Tax Certificate dated September 29, 2010, executed by the Administration.

"*Tax Regulatory Agreement*" means the Declaration of Restrictive Covenants and Regulatory Agreement, dated as of September 1, 2010, by and between the Borrower and the Administration.

"*Trustee*" means Manufacturers and Traders Trust Company, a New York banking corporation with trust powers and having a corporate trust office in Baltimore, Maryland and its successors in trust under the Supplemental Resolution.

"*Trust Estate*" shall have the meaning given to that term in the Granting Clauses.

"Unassigned Rights" means all of the rights of the Administration and its directors, officers, commissioners, elected officials, attorneys, accountants, employees, agents and consultants to be held harmless and indemnified, to be paid its fees and expenses, to give or withhold consent to amendments, changes, modifications and alterations, to receive notices and the right to enforce such rights.

"*Underwriters*" means, collectively, RBC Capital Markets Corporation, Merrill Lynch, Pierce, Fenner & Smith, Incorporated and J.P. Morgan Securities LLC.

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APPENDIX B-1

PROPOSED FORM OF LEGAL OPINION OF BOND COUNSEL – SERIES 2010 C

September __, 2010

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

COMMUNITY DEVELOPMENT ADMINISTRATION
MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

$4,105,000
Multi-Family Mortgage Revenue Bonds
Series 2010 C

Ladies and Gentlemen:

We have acted as Bond Counsel to the Community Development Administration (the "Administration"), a unit of the Division of Development Finance of the Department of Housing and Community Development (the "Department"), a principal department of the State of Maryland (the "State"), in connection with the issuance and sale of $4,105,000 aggregate principal amount of its Multi-Family Mortgage Revenue Bonds, Series 2010 C (the "Series 2010 C Bonds").

The Series 2010 C Bonds are being issued under and pursuant to (1) Sections 4-101 through 4-255 of the Housing and Community Development Article of the Annotated Code of Maryland, as amended (the "Act") and (2) the resolution of the Administration adopted as of December 1, 2009, entitled "Resolution Providing for the Issuance of Multi-Family Mortgage Revenue Bonds" (the "Bond Resolution"), as supplemented by the Supplemental Series Resolution Providing for the Delivery of the Multi-Family Mortgage Revenue Bonds, Series 2009A-3 and Providing for the Issuance and Sale of Multi-Family Mortgage Revenue Bonds, Series 2010 C, to be adopted by the Administration as of September 1, 2010 (the "Supplemental Resolution"). The Bond Resolution and the Supplemental Resolution are referred to collectively as the "Resolution." The Director of the Administration determined, pursuant to Section 4 245(a) of the Act, that the issuance of the Series 2010 C Bonds is necessary to achieve one or more purposes of the Administration, and such determination was approved by the Secretary of Housing and Community Development. Capitalized terms used in this opinion and not otherwise defined in this opinion shall have the meanings set forth in the Resolution or the Act.

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

1) Under the Constitution and laws of the State, the Act is valid and the Administration has been duly created and validly exists as a unit of the Division of Development Finance of the Department with such political and corporate powers as set forth in the Act and with good, right and lawful authority, among other things, to carry out the Program of making Permitted Mortgage Loans, to issue the Series

2010 C Bonds to provide funds therefor and to perform its obligations under the terms and conditions of the Resolution.

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

3) The Series 2010 C Bonds are valid and legally binding limited obligations of the Administration secured by a pledge in the manner and to the extent set forth in the Resolution and are entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the Resolution. The Resolution creates the valid pledge of and the valid lien which it purports to create upon the Revenues and other assets and income described in the Resolution, subject only to the provisions of the Resolution permitting the use and payment thereof for or to the purposes and on the terms and conditions set forth in the Resolution.

4) Under existing law, interest on the Series 2010 C Bonds is excludable from gross income for Federal income tax purposes pursuant to Section 103 of the Code, except that no opinion is expressed as to such exclusion of interest on any Series 2010 C Bond for any period during which such Series 2010 C Bond is held by a person who is a “substantial user” of the facilities financed with the proceeds of the Series 2010 C Bonds or a “related person” within the meaning of Section 147(a) of the Code. Furthermore, interest on the Series 2010 C Bonds is not a specific preference item or included in adjusted current earnings for purposes of the federal alternative minimum tax.

5) Under existing statutes, the Series 2010 C Bonds, their transfer, the interest payable thereon, and any income derived therefrom, including any profit realized on the sale or exchange thereof, are exempt from taxation of every kind and nature whatsoever by the State of Maryland, except that no opinion is expressed with respect to any exemption from Maryland estate or inheritance taxes.

The foregoing opinion is qualified only to the extent that the enforceability of the Series 2010 C Bonds and the Resolution may be limited by bankruptcy, moratorium, insolvency, or other laws affecting creditors’ rights or remedies generally and is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

We express no opinion regarding any other Federal or state tax consequences with respect to the Series 2010 C Bonds. We render our opinion under existing statutes and court decisions as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any action hereafter taken or not taken, or any facts or circumstances that may hereafter come to our attention, or changes in law or in interpretations thereof that may hereafter occur, or for any other reason.

Very truly yours,

APPENDIX B-2

PROPOSED FORM OF LEGAL OPINION OF BOND COUNSEL – SERIES 2009 A-3

September __, 2010

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

COMMUNITY DEVELOPMENT ADMINISTRATION
MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

$5,410,000
Multi-Family Mortgage Revenue Bonds
Series 2009 A-3

Ladies and Gentlemen:

We have acted as Bond Counsel to the Community Development Administration (the "Administration"), a unit of the Division of Development Finance of the Department of Housing and Community Development (the "Department"), a principal department of the State of Maryland (the "State"), in connection with the release of $5,410,000 (the "Release Amount") of the proceeds of the Administration's Multi-Family Mortgage Revenue Bonds, Series 2009 A (the "Series 2009 A Bonds"). The Series 2009 A Bonds were issued under and pursuant to (1) Sections 4-101 through 4-255 of the Housing and Community Development Article of the Annotated Code of Maryland, as amended (the "Act") and (2) the resolution of the Administration adopted as of December 1, 2009, entitled "Resolution Providing for the Issuance of Multi-Family Mortgage Revenue Bonds" (the "Bond Resolution"), as supplemented by the Series Resolution Providing for the Issuance and Sale of Multi-Family Mortgage Revenue Bonds, Series 2009 A, adopted as of December 1, 2009, as amended (the "Series Resolution").

The portion of the Series 2009 A Bonds allocable to the Release Amount is being re-designated as the Administration's Multi-Family Mortgage Revenue Bonds, Series 2009 A-3 (the "Series 2009 A-3 Bonds"). The Series 2009 A-3 Bonds are deemed reissued on the date hereof for federal income tax purposes and will be delivered in exchange for a like amount of Series 2009 A Bonds and secured under and pursuant to the terms of the Bond Resolution, the Series Resolution and the Series Resolution Providing for the Delivery of Multi-Family Mortgage Revenue Bonds, Series 2009 A-3 and Providing for the Issuance and Sale of Multi-Family Mortgage Revenue Bonds, Series 2010 C, to be adopted by the Administration as of September 1, 2010 (the "Supplemental Resolution"). The Bond Resolution, the Series Resolution and the Supplemental Resolution are referred to collectively as the "Resolution."

The Director of the Administration determined, pursuant to Section 4 245(a) of the Act, that the delivery of the Series 2009 A-3 Bonds is necessary to achieve one or more purposes of the Administration, and such determination was approved by the Secretary of Housing and Community Development. Capitalized terms used in this opinion and not otherwise defined in this opinion shall have the meanings set forth in the Resolution or the Act.

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

1) Under the Constitution and laws of the State, the Act is valid and the Administration has been duly created and validly exists as a unit of the Division of Development Finance of the Department with such political and corporate powers as set forth in the Act and with good, right and lawful authority, among other things, to carry out the Program of making Permitted Mortgage Loans, to deliver the Series 2009 A-3 Bonds to provide funds therefor and to perform its obligations under the terms and conditions of the Resolution.

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

3) The Series 2009 A-3 Bonds are valid and legally binding limited obligations of the Administration secured by a pledge in the manner and to the extent set forth in the Resolution and are entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the Resolution. The Resolution creates the valid pledge of and the valid lien which it purports to create upon the Revenues and other assets and income described in the Resolution, subject only to the provisions of the Resolution permitting the use and payment thereof for or to the purposes and on the terms and conditions set forth in the Resolution.

4) Under existing law, interest on the Series 2009 A-3 Bonds is excludable from gross income for Federal income tax purposes pursuant to Section 103 of the Code, except that no opinion is expressed as to such exclusion of interest on any Series 2009 A-3 Bond for any period during which such Series 2009 A-3 Bond is held by a person who is a “substantial user” of the facilities financed with the proceeds of the Series 2009 A-3 Bonds or a “related person” within the meaning of Section 147(a) of the Code. Furthermore, interest on the Series 2009 A-3 Bonds is not a specific preference item or included in adjusted current earnings for purposes of the federal alternative minimum tax.

5) Under existing statutes, the Series 2009 A-3 Bonds, their transfer, the interest payable thereon, and any income derived therefrom, including any profit realized on the sale or exchange thereof, are exempt from taxation of every kind and nature whatsoever by the State of Maryland, except that no opinion is expressed with respect to any exemption from Maryland estate or inheritance taxes.

The foregoing opinion is qualified only to the extent that the enforceability of the Series 2009 A-3 Bonds and the Resolution may be limited by bankruptcy, moratorium, insolvency, or other laws affecting creditors’ rights or remedies generally and is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

We express no opinion regarding any other Federal or state tax consequences with respect to the Series 2009 A-3 Bonds. We render our opinion under existing statutes and court decisions as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any action hereafter taken or not taken, or any facts or circumstances that may hereafter come to our attention, or changes in law or in interpretations thereof that may hereafter occur, or for any other reason.

Very truly yours,

APPENDIX C

FORM OF CREDIT ENHANCEMENT AGREEMENT

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EXECUTION

Freddie Mac Loan (Construction) No.: 968724019
Freddie Mac Loan (Permanent) No.: 968724000
Freddie Mac Loan (Construction Supplemental Short Term) No.: 968724027

CREDIT ENHANCEMENT AGREEMENT

between

FEDERAL HOME LOAN MORTGAGE CORPORATION

and

MANUFACTURERS AND TRADERS TRUST COMPANY,
as Trustee

Relating to a
Bond Mortgage Loan
Securing

$5,410,000
Community Development Administration
Maryland Department of Housing and Community Development
Multi-Family Mortgage Revenue Bonds
Series 2009 A-3

and

$4,105,000
Community Development Administration
Maryland Department of Housing and Community Development
Multi-Family Mortgage Revenue Bonds
Series 2010 C

Dated as of September 1, 2010

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ARTICLE VII
MISCELLANEOUS PROVISIONS

CREDIT ENHANCEMENT AGREEMENT

THIS CREDIT ENHANCEMENT AGREEMENT (this "Agreement") made and entered into as of September 1, 2010, by and between the **FEDERAL HOME LOAN MORTGAGE CORPORATION** ("Freddie Mac"), a shareholder-owned government-sponsored enterprise organized and existing under the laws of the United States, and **MANUFACTURERS AND TRADERS TRUST COMPANY** (the "Trustee"), a New York banking corporation, duly organized and existing under the laws of the state of New York, in its capacity as Trustee under a Supplemental Series Resolution dated as of September 1, 2010 (the "Supplemental Resolution"), between the Community Development Administration, Maryland Department of Housing and Community Development (the "Issuer") and the Trustee.

W I T N E S S E T H:

WHEREAS, 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 the Resolution Providing for the Issuance of Multi-Family Mortgage Revenue Bonds adopted as of December 1, 2009 (the "Bond Resolution"), as amended and supplemented by the Series Resolution dated as of December 1, 2009 (the "Series Resolution," and together with the Bond Resolution and the Supplemental Resolution, the "Resolution"), the Issuer previously issued its Multi-Family Mortgage Revenue Bonds, Series 2009 A (the "Program Bonds") in the original aggregate principal amount of $92,040,000 to provide for the financing of multifamily rental housing developments through the New Issue Bond Program of the Housing Finance Agency Initiative announced by the United States Treasury on October 19, 2009 (the "Program"); and

WHEREAS, pursuant to the Supplemental Resolution, the Issuer has agreed to use the proceeds derived from the sale of a portion of the Program Bonds (to be redesignated the Multi-Family Mortgage Revenue Bonds Series 2009 A-3 in the principal amount of $5,410,000 (the "Series 2009 NIBP Bonds")) on the related Release Date to make a mortgage loan in the principal amount of $5,410,000 (the "Series 2009 NIBP Bond Mortgage Loan") to Poppleton Partners II, L.P. (the "Borrower") to finance a 111-unit multifamily rental housing development located at scattered sites in Baltimore City, Maryland, known as Poppleton Phase II Apartments (the "Project"); and

WHEREAS, pursuant to the Act, the Bond Resolution and the Supplemental Resolution, the Issuer has determined to issue its Multi-Family Mortgage Revenue Bonds Series 2010 C (the "Series 2010 Bonds" and together with the Series 2009 NIBP Bonds, the "Bonds") in the original aggregate principal amount of $4,105,000 (the "Series 2010 Bond Mortgage Loan," and together with the Series 2009 NIBP Bond Mortgage Loan, the "Bond Mortgage Loan") to make an additional mortgage loan to the Borrower to provide additional financing for the Project; and

WHEREAS, the Borrower's repayment obligations in respect of the Bond Mortgage Loan are evidenced by a promissory note dated the Closing Date (together with all riders and addenda thereto, the "Bond Mortgage Note") from the Borrower to the Issuer, as such has been assigned by the Issuer to the Trustee; and

WHEREAS, in order to provide credit enhancement for the payment by the Borrower of amounts due under the Bond Mortgage Loan, the Borrower has requested that Freddie Mac enter into this Agreement with the Trustee, which permits the Trustee to make draws in an amount equal to Guaranteed Payments with respect to the Bond Mortgage Loan; and

WHEREAS, to evidence the Borrower's reimbursement obligations to Freddie Mac for draws made hereunder, the Borrower and Freddie Mac are entering into a Reimbursement and Security Agreement contemporaneously with the execution and delivery hereof (the "Reimbursement Agreement"); and

WHEREAS, prior to Loan Conversion of the Bond Mortgage Loan, the Borrower has arranged for Bank of America, N.A., a national banking association, duly organized and existing under the laws of the United States (the "Construction Phase Credit Facility Provider") to provide its two unconditional and irrevocable letters of credit to Freddie Mac (the "Construction Letter of Credit") to secure the reimbursement obligations of the Borrower to Freddie Mac prior to the Permanent Phase; and

WHEREAS, to evidence the Borrower's reimbursement obligations to the Construction Phase Credit Facility Provider for draws made under the Construction Letter of Credit, the Borrower and the Construction Phase Credit Facility Provider will enter into a Letter of Credit Reimbursement Agreement dated as of September 1, 2010 (the "Credit Agreement"); and

WHEREAS, to secure the Borrower's obligations to (i) the Issuer under the Bond Mortgage Note and (ii) Freddie Mac under the Reimbursement Agreement, the Borrower has executed and delivered the Multifamily Deed of Trust, Assignment of Rents and Security Agreement, dated as of September 1, 2010 (the "Bond Mortgage"), to Nicholas A. Pirulli, Esq., as trustee for the benefit of the Issuer and Freddie Mac; and

WHEREAS, the Borrower's reimbursement obligations to the Construction Phase Credit Facility Provider under the Construction Phase Credit Reimbursement Agreement are secured by a Multifamily Deed of Trust, Assignment of Rents and Security Agreement dated as of September 1, 2010 (the "Construction Mortgage") from Borrower for the benefit of the Construction Phase Credit Facility Provider; and

WHEREAS, the rights of the Issuer, the Trustee, the Construction Phase Credit Facility Provider and Freddie Mac to enforce remedies under the Bond Mortgage and the Construction Mortgage are governed by an Intercreditor Agreement dated as of September 1, 2010 among the Issuer, the Trustee, the Construction Phase Credit Facility Provider and Freddie Mac; and

WHEREAS, Prudential Affordable Mortgage Company (the "Servicer") will act as initial servicer for the Bond Mortgage Loan;

NOW, THEREFORE, in consideration of the fees to be paid to Freddie Mac, the material covenants and undertakings set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Freddie Mac and the Trustee do hereby agree as follows:

ARTICLE I
DEFINITIONS AND INTERPRETATION

Section 1.1 ***Definitions*** All capitalized terms not otherwise specifically defined in this Agreement shall have the same meanings, respectively, as the defined terms contained in the Resolution or the Reimbursement Agreement, as applicable. Unless otherwise expressly provided in this Agreement or unless the context clearly requires otherwise, the following terms shall have the respective meanings set forth below for all purposes of this Agreement.

"Agreement" means this Credit Enhancement Agreement, as the same may be amended, supplemented or restated from time to time.

"Available Amount" means, at any time, an amount equal to the aggregate principal amount of Bonds Outstanding (initially, $9,515,000) plus an amount equal to the accrued interest on the Bonds Outstanding for up to 189 days at the Permanent Rate with respect to the Series 2009 NIBP Bonds and for up to 189 days at 1.00% per annum with respect to the Series 2010 Bonds, in each case computed on the basis of a 360-day year of twelve (12) thirty (30) day months, plus an amount equal to the accrued but unpaid Issuer Fee, as reduced by that amount, if any, previously provided by Freddie Mac to the Trustee for payment of the Guaranteed Payment or to enable the Trustee to purchase Purchased Bonds, such reduction to be in an amount equal to (i) in the case of payment of a Guaranteed Payment, 100% of the amount of such payment and (ii) in the case of the purchase of Purchased Bonds, 100% of the principal amount of such Purchased Bonds plus the accrued interest, if any, paid with respect to such Purchased Bonds. Following any provision of funds under this Agreement, the amount provided (and the amount by which the Available Amount is reduced) shall be reinstated only as provided in Section 3.1(a)(iv).

"Bond Mortgage Loan" means the mortgage loan in the original amount of $9,515,000 by the Issuer to the Borrower pursuant to the Financing Agreement, as evidenced by the Bond Mortgage Note and secured by the Bond Mortgage, and comprised of the Series 2009 NIBP Bond Mortgage Loan and the Series 2010 Bond Mortgage Loan.

"Bond Mortgage Note" means the promissory note from the Borrower to the Issuer in the original principal amount of $9,515,000, including all riders and addenda thereto, evidencing the Borrower's obligation to repay the Bond Mortgage Loan, as the same may be amended, modified or supplemented from time to time, which promissory note has been endorsed by the Issuer to the Trustee pursuant to the Resolution.

"Bond Mortgage Payment Date" means (i) each Interest Payment Date (as defined in the Supplemental Resolution) while the Bond Mortgage Loan is outstanding and (ii) any other date on which principal of the Bond Mortgage Note is paid.

"Bond Resolution" means the Resolution Providing for the Issuance of Multi-Family Mortgage Revenue Bonds adopted as of December 1, 2009, as the same may be amended, supplemented or restated from time to time.

"Bonds" means, collectively, the Series 2009 NIBP Bonds and the Series 2010 Bonds.

"Borrower" means Poppleton Partners II, L.P., a Maryland limited partnership, and any permitted successor to or assignee of its rights and obligations under the Bond Financing Documents.

"Business Day" means any day other than (i) a Saturday, (ii) a Sunday, (iii) a day on which the Federal Reserve Bank of New York (or other agent acting as Freddie Mac's fiscal agent) is authorized or obligated by law or executive order to remain closed, (iv) a day on which the permanent home office of Freddie Mac is closed or (v) a day on which (a) banking institutions in the City of New York or in the city in which the Principal Office of the Trustee or the permanent home office of Freddie Mac is located are authorized or obligated by law or executive order to be closed or (b) the New York Stock Exchange is closed.

"*Closing Date*" means the date Freddie Mac executes and delivers this Agreement.

"Custodian" means Manufacturers and Traders Trust Company, not in its individual capacity but solely in its capacity as collateral agent for Freddie Mac under the Pledge Agreement, and any successor thereto in such capacity.

"Draw Request" means a demand for payment delivered by the Trustee to Freddie Mac pursuant to Section 3.1(a)(i) of this Agreement.

"Event of Default" means the occurrence of an event of default as described in Section 6.1.

"Freddie Mac" means the Federal Home Loan Mortgage Corporation, a shareholder–owned government–sponsored enterprise organized and existing under the laws of the United States of America, and its successors and assigns.

"Freddie Mac Credit Enhancement Payment" means the amount required to be paid by Freddie Mac to the Trustee with respect to any Guaranteed Payment pursuant to Section 3.1(a)(i).

"Freddie Mac Reimbursement Amount" shall have the meaning set forth in the Reimbursement Agreement.

"Freddie Mac Trustee E-mail Account" means the Freddie Mac established e-mail account for receipt of notices, inquiries and other communications from bond trustees. The e-mail address for the Freddie Mac Trustee E-mail Account is MFLA_Trustees@freddiemac.com or such other e-mail address as Freddie Mac may designate from time to time.

"Freddie Mac Trustee Hotline" means the Freddie Mac established telephone hotline for bond trustees. The hotline number is (703) 714-4177 or such other phone number as Freddie Mac may designate from time to time.

"Guaranteed Payment" is defined within the definition of Required Bond Mortgage Payment herein.

"*Guide*" means the Freddie Mac Multifamily Seller/Servicer Guide, as amended, modified or supplemented from time to time.

"Interest Component" shall have the meaning provided in the definition of Required Bond Mortgage Payment and Guaranteed Payment, as applicable.

"Issuer" means the Community Development Administration, Maryland Department of Housing and Community Development, and its successors.

"Issuer Fee" means the Issuer's annual fee equal to 0.25% of the outstanding principal amount of the Bond Mortgage Loan, payable semi-annually in arrears on each January 1 and July 1, commencing January 1, 2011.

"Mortgage" means the Multifamily Deed of Trust, Assignment of Rents and Security Agreement, dated as of September 1, 2010, from the Borrower to Nicholas A. Pirulli, Esq., as trustee for the benefit of the Issuer and Freddie Mac to secure the repayment of sums owed to each such beneficiary thereunder.

"Notice" means any notice delivered by the Trustee to Freddie Mac pursuant to Section 3.1(a)(i), in the form set forth in ***Exhibit A*** hereto.

"*Pledge Agreement"* means the Pledge, Security and Custody Agreement dated as of September 1, 2010, among the Borrower, Freddie Mac and the Custodian, as the same may be amended, supplemented or restated from time to time.

"Principal Component" shall have the meaning provided in the definition of Required Bond Mortgage Payment and Guaranteed Payment, as applicable.

"Purchased Bond" means any Bond purchased pursuant to Section 3.06 of the Supplemental Resolution during the period from and including the date of its purchase in lieu of redemption by the Trustee on behalf of the Borrower with amounts provided by Freddie Mac under the Credit Facility, to, but excluding, the date on which such Bond is (a) transferred pursuant to and in accordance with Section 3.06 of the Supplemental Resolution or (b) redeemed or otherwise cancelled.

"Purchase Price" means, with respect to any Bond to be purchased pursuant to Section 3.06 of the Supplemental Resolution, the principal amount of each Bond plus any redemption premium due thereon plus interest accrued to the Settlement Date. No portion of the Purchase Price consisting of any redemption premium shall be payable from funds drawn under this Agreement.

"Reimbursement Agreement" means the Reimbursement and Security Agreement dated as of September 1, 2010 between the Borrower and Freddie Mac, as the same may be amended, supplemented or restated from time to time.

"Required Bond Mortgage Payment" and *"Guaranteed Payment"* mean the sum of the applicable Interest Component and the applicable Principal Component, as follows:

	Interest Component	**Principal Component**
Required Bond Mortgage Payment	(i) The regularly scheduled payment of interest due on the unpaid principal balance of the Bond Mortgage Loan, adjusted solely as provided in Section 3.4, (ii) upon optional or mandatory prepayment of the Bond Mortgage Loan, all accrued and unpaid interest on the amount prepaid, (iii) on the maturity date or upon acceleration of the Bond Mortgage Note, all accrued and unpaid interest thereon, and (iv) the accrued but unpaid Issuer Fee.	(i) The regularly scheduled payment of principal, on the Bond Mortgage Note, if any, (ii) upon optional or mandatory prepayment of the Bond Mortgage Loan, the principal amount of the Bond Mortgage Note being prepaid and (iii) on the maturity date or upon acceleration of the Bond Mortgage Note, the unpaid principal balance of the Bond Mortgage Note.
Guaranteed Payment	The Interest Component of the corresponding Required Bond Mortgage Payment, *less* interest accrued on Purchased Bonds.	(i) The regularly scheduled payment of principal, on the Bond Mortgage Note, if any (ii) upon optional or mandatory prepayment of the Bond Mortgage Loan, the principal amount of the Bond Mortgage Note being prepaid and (iii) on the maturity date or upon acceleration of the Bond Mortgage Note, the unpaid principal balance of the Bond Mortgage Note.

For the purpose of this Agreement only, regularly scheduled monthly deposits to the Principal Reserve Fund, as provided in the Reimbursement Agreement, or other escrows required by the Bond Mortgage are not included in the Required Bond Mortgage Payment or Guaranteed Payment.

"Resolution" means the Bond Resolution, as amended and supplemented by the Series Resolution and the Supplemental Resolution, as the same may be amended, supplemented or restated from time to time.

"Series 2009 NIBP Bond Mortgage Loan" means the loan made by the Issuer to the Borrower in the original principal amount of $5,410,000 with the proceeds of the Series 2009 NIBP Bonds, pursuant to the Financing Agreement.

"Series 2009 NIBP Bonds" means the Issuer's Multi-Family Mortgage Revenue Bonds Series 2009 A-3, reissued in the original principal amount of $5,410,000.

"Series 2010 Bond Mortgage Loan" means the loan made by the Issuer to the Borrower in the original principal amount of $4,105,000 with the proceeds of the Series 2010 Bonds, pursuant to the Financing Agreement.

"Series 2010 Bonds" means the Issuer's Multi-Family Mortgage Revenue Bonds Series 2010 C issued in the original principal amount of $4,105,000.

"Servicer" means the eligible servicing institution designated by Freddie Mac from time to time (which may be Freddie Mac if Freddie Mac elects to service the Bond Mortgage Loan), or its successor, as servicer of the Bond Mortgage Loan. Initially, the Servicer shall be Prudential Affordable Mortgage Company.

"State" means the State of Maryland.

"Series Resolution" means the Series Resolution dated as of December 1, 2009 between the Issuer and the Trustee, as the same may be amended, supplemented or restated from time to time.

"Supplemental Resolution" means the Supplemental Resolution dated as of September 1, 2010 between the Issuer and the Trustee, as the same may be amended, supplemented or restated from time to time.

"Termination Date" means the first to occur of (a) the date the Bonds shall have been paid in full, (b) the date the Bonds shall have been redeemed or purchased in lieu of redemption in accordance with the provisions of Section 3.2 of this Agreement, (c) March 6, 2043, and (d) the date on which the Trustee, after having received sufficient funds to redeem all of the Bonds Outstanding in accordance with the terms of the Resolution, shall have released the lien of the Resolution and shall have paid to Freddie Mac all amounts required to be paid under the Resolution, the Financing Agreement, the Reimbursement Agreement, this Agreement and any other Bond Financing Document.

"Trustee" means Manufacturers and Traders Trust Company, and its successors and any other corporation or association resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at any time serving as successor trustee under the Resolution.

"Wire Request System" means the Freddie Mac web-based application known as "MultiSuite for Bonds - Wire Request System," which is designed to facilitate the payment of Draw Requests. The Wire Request System is to be used by the Trustee to conduct electronic transactions with Freddie Mac and is accessible only via Freddie Mac's website at the following URL: http://www.freddiemac.com/multifamily/multisuite.htm. For instructions on how to register and use the Wire Request System, please call the Freddie Mac Trustee Hotline.

Section 1.2 ***Interpretation.*** In this Agreement, unless the context otherwise requires, words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include partnerships, limited liability companies, corporations and associations, including public bodies, as well as natural persons. The terms "hereby", "hereof", "hereto", "herein", "hereunder", and any similar terms, as used in this Agreement, refer to this Agreement. Any reference in this Agreement to an "Exhibit", a "Section", a "Subsection", a "Paragraph" or a "subparagraph" shall, unless otherwise explicitly provided, be construed as referring, respectively, to an Exhibit attached to this Agreement, a section of this Agreement, a subsection of the section of this Agreement in which the reference appears, a paragraph of the subsection within this Agreement in which the reference appears, or a subparagraph of the paragraph within which the reference appears. All Exhibits attached to or referred to in this Agreement are incorporated by reference into this Agreement.

ARTICLE II
REPRESENTATIONS

Section 2.1 ***Representations by Freddie Mac***. Freddie Mac represents and warrants that:

(a) It is a shareholder–owned government–sponsored enterprise organized and existing under the laws of the United States of America.

(b) This Agreement is a valid and binding obligation of Freddie Mac, the making and performance of which by Freddie Mac have been duly authorized by all necessary corporate and other action and neither the consummation of the transactions contemplated hereby nor the fulfillment of or compliance with the terms and conditions of this Agreement by Freddie Mac conflicts with, results in a breach of, or is a default under, in any material respect, any of the terms, conditions or provisions of any legal restriction or any instrument to which Freddie Mac is now a party or by which Freddie Mac is bound, or constitutes a violation of any law regulating the affairs of Freddie Mac or internal governing documents of Freddie Mac, and will not result in the creation of any prohibited encumbrance upon any of its assets.

Section 2.2 ***Representations by Trustee.*** The Trustee represents, warrants and covenants that:

(a) It is a state banking corporation, duly organized and existing under the laws of the State of New York, has the power (including trust powers) and authority to accept and execute trusts, has duly accepted its appointment as Trustee under the Resolution, and all corporate action required to authorize acceptance of such appointment as Trustee under the Resolution, the execution, delivery and performance of the Resolution and this Agreement, and consummation of the transactions contemplated thereby and hereby, have been duly taken.

(b) It acknowledges that Freddie Mac has certain rights with respect to the Bond Mortgage Loan and the Bond Mortgage pursuant to the Intercreditor Agreement.

(c) It has furnished wire instructions, which are correctly set forth in Section 5.5, to Freddie Mac for Freddie Mac to make payments under this Agreement by wire transfer and will advise Freddie Mac, in writing, of any change to such instructions utilizing the form attached hereto as ***Exhibit B*** not less than five (5) Business Days prior to the effective date thereof.

ARTICLE III
CREDIT ENHANCEMENT

Section 3.1 ***Credit Enhancement Payments.***

(a) (i) On each Bond Mortgage Payment Date, a portion of the Available Amount in an amount not to exceed the aggregate principal amount of the Bonds Outstanding (initially, $9,515,000) is available for the payment of the Principal Component of the Guaranteed Payment and a portion of the Available Amount in an amount not to exceed the sum of (x) the accrued interest on the Bonds Outstanding for up to 189 days at the Permanent Rate with respect to the Series 2009 NIBP Bonds and for up to 189 days at 1.00% per annum with respect to the Series 2010 Bonds (calculated as provided in the definition of Available Amount) and (y) the accrued but unpaid Issuer Fee, is available for the payment of the Interest Component of the Guaranteed Payment, subject to reduction and reinstatement as provided in Section 3.1(a)(iv); provided that as a condition to a draw for interest or for any accrued but unpaid Issuer Fee under this Credit Enhancement Agreement, the amount on deposit in the Project Account of the Bond Mortgage Loan Fund shall be insufficient to pay accrued interest on the Bonds or accrued but unpaid Issuer Fee, as applicable. Funds shall be made available to the Trustee for such payment against delivery by the Trustee of a demand for payment (each a "Draw Request"). Until Freddie Mac provides the Trustee with written or electronic notice to the contrary, the Trustee shall deliver Draw Requests to Freddie Mac using the Wire Request System. If, for any reason, the Trustee is unable to deliver a Draw Request electronically for processing a payment using the Wire Request System, the Trustee shall notify Freddie Mac immediately via the Freddie Mac Trustee Hotline and Freddie Mac Trustee E-mail Account and deliver that Draw Request by facsimile or electronic transmission, immediately confirmed by overnight delivery service, of a Notice, in the form set forth in ***Exhibit A*** hereto, to Freddie Mac at (571) 382-4798, if by facsimile transmission, or the Freddie Mac Trustee E-mail Account, if by electronic transmission (or to such other facsimile number or e-mail address or using such other means of electronic or telephonic communication as Freddie Mac shall designate in writing); provided that Freddie Mac may waive in writing the requirement of confirmation by overnight delivery service. If a Draw Request is made in strict conformity with the terms and conditions hereof, payment shall be made to the Trustee in immediately available funds (A) if such Draw Request is received by Freddie Mac by 12:00 Noon (Washington, D.C. time) on any Business Day, not later than 2:00 p.m. (Washington, D.C. time) on the next Business Day, and (B) if such Draw Request is so received after 12:00 Noon (Washington, D.C. time) on any Business Day, not later than 2:00 p.m. (Washington, D. C. time) on the second succeeding Business Day.

(ii) Notwithstanding any other provision of this Agreement, Freddie Mac shall have no obligation under any circumstance to make a Freddie Mac Credit Enhancement Payment or any other payment under this Agreement with respect to any prepayment premium or other prepayment charge payable on the Bond Mortgage Loan or due under the Bond Mortgage Note (or which may in any way relate to the Bonds, including any redemption premium on the Bonds), any reserve funds that are funded from Bond proceeds, any negative arbitrage or investment losses with respect to reserve amounts held by the Trustee under the Resolution, and Freddie Mac's obligation with respect to the payment of interest under this Section is limited to the Interest Component of the related Guaranteed Payment. In no event shall Freddie Mac be obligated to make a payment under Section 3.1(a) in excess of the Guaranteed Payment. The provisions of this Paragraph (a)(ii) shall in no way affect the obligation of Freddie Mac to make payment of principal to the extent elsewhere provided in this Section.

(iii) To the extent there are Purchased Bonds, Freddie Mac shall have no obligation under any circumstance to make a Freddie Mac Credit Enhancement Payment with respect to such Purchased Bonds.

(iv) Upon a payment under this Agreement, the Available Amount and the amount thereof available (A) for the payment of the Principal Component of the Guaranteed Payment, shall be automatically reduced by an amount equal to the amount of such payment for such purpose and (B) for the payment of the Interest Component of the Guaranteed Payment, shall be automatically reduced by an amount equal to the amount of such payment for such purpose. The obligation of Freddie Mac to pay the Principal Component of the Guaranteed Payment shall not be reinstated. The obligation of Freddie Mac to pay the Interest Component of the Guaranteed Payment shall be reinstated, up to the maximum amount set forth in Section 3.1(a)(i) for such purpose, automatically on the day following the provision of funds by Freddie Mac for payment of such Interest Component.

(v) Pursuant to the Pledge Agreement, Freddie Mac shall have a security interest (but no beneficial ownership interest) in Purchased Bonds and in the proceeds of Purchased Bonds.

(b) [Intentionally Omitted.]

(c) Payments required to be made pursuant to this Agreement shall be made from any source legally available to Freddie Mac, other than funds of the Borrower or the Issuer.

(d) Amounts held in the Revenue Fund, the Redemption Fund and the Bond Fund established under the Supplemental Resolution (representing Freddie Mac Credit Enhancement Payments, investment earnings thereon and other amounts permitted under the Supplemental Resolution to be deposited in said Funds) shall be invested and reinvested by the Trustee, with the prior written consent of Freddie Mac, in accordance with the provisions of Section 4.08 of the Supplemental Resolution. In the absence of Freddie Mac's prior written consent, the Trustee shall invest such amounts in Qualified Investments of the type described in clause (a), (b) or (g) of the definition of such term contained in the Supplemental Resolution, which Qualified Investments in all events shall mature or be redeemable at par on the earlier of (a) six months from the date of investment (or such shorter period as may be required by the Supplemental Resolution) or (b) the date such moneys are needed for the purposes for which they are held. Notwithstanding the foregoing or anything else contained in this Agreement or in the Resolution, Freddie Mac shall have no obligation to the Issuer, the Trustee or any holder of any Bond with respect to the failure to receive any payment under any investment made by the Trustee or any investment loss with respect to any such investment (irrespective of whether or not Freddie Mac shall have consented to such investment).

(e) This Agreement shall become effective upon its execution and delivery by Freddie Mac and the Trustee and shall cease to be in effect on the Termination Date.

The Trustee hereby expressly acknowledges and agrees that Freddie Mac shall have no liability to the Trustee or to the Bondholders for any failure to make full and timely payment of principal or interest on the Bonds resulting from a deficiency of moneys therefor under the Resolution if the Trustee shall not have delivered, in the manner and at the time required by this

Agreement, a Notice under Section 3.1 hereof or any other notice required in this Agreement as a condition precedent to payment thereunder by Freddie Mac.

Section 3.2 ***Right of Freddie Mac to Cause Redemption, Purchase in Lieu or Acceleration of Bonds***.

(a) Subject to the provisions of the Resolution, Freddie Mac shall have the right to direct the Trustee to provide notice of redemption, purchase in lieu of redemption or acceleration of the Bonds to the extent and upon the terms described in the Resolution, provided that Freddie Mac agrees to honor a Notice given in accordance with this Agreement to pay to the Trustee the full redemption price or Purchase Price of the Bonds upon the redemption, purchase in lieu of redemption or acceleration thereof.

(b) If Freddie Mac pays the Purchase Price of the Bonds in accordance with a purchase in lieu of redemption thereof pursuant to Section 3.06 of the Supplemental Resolution, subsequent to its date of purchase Freddie Mac or an entity designated by Freddie Mac in accordance with Section 3.06 of the Supplemental Resolution, as the case may be, may on any day elect to present all or a portion of such Bonds to the Trustee for cancellation pursuant to Section 3.07 of the Supplemental Resolution.

(c) Freddie Mac shall have the right to cause an acceleration of the Bonds pursuant to Section 6.02 of the Supplemental Resolution provided the conditions set forth therein have been satisfied. In such event, Freddie Mac shall pay to the Trustee the entire principal amount of the Bonds, together with accrued interest thereon to the date of payment of the Bonds.

(d) Upon the payment by Freddie Mac of the redemption price or Purchase Price of the Bonds as provided in Sections 3.2(a), (b) or (c) all payment obligations of Freddie Mac under Section 3.1 with respect to such Bonds to the extent of such payment shall thereupon terminate, other than payment obligations becoming due and owing prior to the date of such payment.

Section 3.3 ***Nature of the Trustee's Rights.*** The right of the Trustee to receive payments from Freddie Mac pursuant to Sections 3.1 and 3.2 shall not be diminished by any rights of set-off, recoupment or counterclaim Freddie Mac might otherwise have against the Issuer, the Trustee, the Borrower or any other person. Notwithstanding the foregoing, this Section 3.3 shall not be construed: to release the Trustee or the Issuer from any of their respective obligations hereunder or under the Resolution; except as provided in this Section, to prevent or restrict Freddie Mac from asserting any rights which it may have against the Issuer, the Trustee or the Borrower under this Agreement, the Resolution, the Intercreditor Agreement, the Bond Mortgage Loan or any provisions of law; or to prevent or restrict Freddie Mac, at its own cost and expense, from prosecuting or defending any action or proceeding by or against the Issuer, the Trustee or the Borrower or taking any other actions to protect or secure its rights; provided, however that any recovery against the Issuer is limited to amounts held under the Resolution.

Section 3.4 ***Adjustments to Required Bond Mortgage Payments and Guaranteed Payments.*** In connection with any partial principal prepayments of amounts owing under the Bond Mortgage Note, the Interest Component of the Required Bond Mortgage Payment shall be adjusted only upon the redemption of Bonds in the amount of such principal prepayment.

ARTICLE IV
FREDDIE MAC REIMBURSEMENTS

Section 4.1 ***Reimbursements***.

(a) For each Freddie Mac Credit Enhancement Payment made by Freddie Mac, Freddie Mac shall be entitled to receive reimbursement under the Reimbursement Agreement in the amount of the Freddie Mac Reimbursement Amount. If the Trustee shall have received a Freddie Mac Credit Enhancement Payment from Freddie Mac with respect to any particular Guaranteed Payment and the Trustee shall have received or shall thereafter receive from the Borrower all or any portion of such Guaranteed Payment or any other amount in lieu of such Guaranteed Payment, the Trustee shall promptly reimburse to Freddie Mac, from any such amounts received from the Borrower, the Freddie Mac Credit Enhancement Payment paid by Freddie Mac as provided in the Resolution.

(b) The Trustee shall maintain records of all Freddie Mac Credit Enhancement Payments received from Freddie Mac hereunder. The Trustee shall, upon receipt of a written request of Freddie Mac, cooperate with Freddie Mac and the Servicer in connection with the reconciliation of the Trustee's records maintained pursuant to this Subsection and any similar records maintained by Freddie Mac or the Servicer.

ARTICLE V
COVENANTS

Section 5.1 ***Annual Reports.*** Freddie Mac registered its common stock with the U.S. Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934 (the "Exchange Act"), effective July 18, 2008. As a result, Freddie Mac files annual, quarterly and current reports, proxy statements and other information with the SEC. Any document that Freddie Mac files with the SEC may be read and copied at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. These SEC filings are also available to the public from the SEC's web site at *http://www.sec.gov*.

Section 5.2 ***Notice of Certain Events.*** The Trustee shall promptly give notice by facsimile or electronic transmission to Freddie Mac at (571) 382-4798, if by facsimile transmission, or the Freddie Mac Trustee E-mail Account, if by electronic transmission, of (i) the occurrence of any Event of Default under the Resolution or any event which, with the passage of time or service of notice, or both, would constitute an Event of Default thereunder of which the Trustee has actual knowledge, specifying the action taken or proposed to be taken with respect to such event, and (ii) each proposed redemption of Bonds and the amount thereof, in writing, not later than 20 days (or as soon as practicable after receiving notice or other information that such a redemption is expected to occur, if such proposed redemption is to be effected with less than 20 days' prior notice in accordance with the Resolution) prior to such redemption, other than scheduled mandatory sinking fund redemptions.

Section 5.3 ***Amendment of Documents.*** So long as no Event of Default hereunder shall have occurred and be continuing, the Trustee will not amend or modify, or consent to any amendment or modification of any Bond Financing Document without the prior written consent of Freddie Mac.

Section 5.4 ***Replacement of Servicer.*** The Trustee acknowledges that, under certain circumstances set forth in the Guide, Freddie Mac shall have the right to terminate the Servicer's servicing of the Bond Mortgage Loan and to transfer the servicing of the Bond Mortgage Loan to a successor servicer in accordance with the Guide. Freddie Mac will promptly notify the Trustee upon termination of the Servicer and the appointment of a successor servicer.

Section 5.5 ***Wiring Information.*** All payments under this Agreement may be made by means of wire transfer of funds to the Trustee to the following account or such other account as the Trustee may specify in writing from time to time:

M&T Bank
ABA#022000046
Account: Trust Division
Account#3088001950200
F/F/C: CDA Poppleton 2010C
Attn: Farrah Welsh, 410-244-3712

ARTICLE VI
DEFAULT AND REMEDIES

Section 6.1 ***Events of Default.*** Any one or more of the following acts or occurrences shall constitute an Event of Default hereunder:

(a) Failure by Freddie Mac to pay any amounts due under Section 3.1 or 3.2 when due; or

(b) Failure by Freddie Mac to perform or observe any of its covenants, agreements or obligations hereunder, except a failure described in (a) above, if the same shall remain uncured for a period of 45 days after written notice of such failure shall have been given by the Trustee to Freddie Mac; provided, however, that if such default is curable but requires acts to be done or conditions to be remedied which, by their nature, cannot be done or remedied within such 45-day period, no Event of Default shall be deemed to have occurred if Freddie Mac shall commence such acts or remedies within such 45-day period and thereafter, in the opinion of the Trustee, diligently pursue the same to completion; or

(c) any governmental authority shall require Freddie Mac to suspend its operations for more than three (3) Business Days (unless such requirement is applicable to corporate instrumentalities or financial institutions generally in the United States), or require the sale or transfer of all or substantially all of the assets of Freddie Mac.

Section 6.2 ***Remedies of Trustee***. Upon the occurrence and continuance of any Event of Default by Freddie Mac hereunder, unless such Event of Default has been cured, the Trustee may take any one or more of the following steps, at its option:

(1) by action at law or in equity, require Freddie Mac to perform its covenants and obligations hereunder, or enjoin any acts which may be unlawful or in violation of the rights of the Trustee; and

(2) take whatever other action at law or in equity may appear necessary or desirable to enforce any monetary obligation of Freddie Mac hereunder, or to enforce any other obligations, covenant or agreement of Freddie Mac hereunder.

The above provisions are subject to the condition that if, after any Event of Default hereunder, all amounts which would then be payable hereunder by Freddie Mac if such Event of Default had not occurred and were not continuing, shall have been paid by or on behalf of Freddie Mac, and Freddie Mac shall have also performed all other obligations in respect of which it is then in default hereunder to the satisfaction of the Trustee, then such Event of Default may be waived and annulled, but no such waiver or annulment shall extend to or affect any subsequent Event of Default or impair any consequent right or remedy.

Section 6.3 ***Remedies Not Exclusive.*** No remedy conferred in this Agreement or reserved to the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 6.4 ***Restoration of Rights and Remedies.*** If the Trustee shall have instituted any proceeding to enforce any right or remedy under this Agreement and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the party instituting such proceeding, then and in every such case Freddie Mac, and the Trustee shall, subject to any determination in such proceeding, be restored to their former positions hereunder and thereafter all rights and remedies of the Trustee shall continue as though no such proceeding had been instituted.

ARTICLE VII
MISCELLANEOUS PROVISIONS

Section 7.1 ***Interest of Bondholders.*** The payments to be made by Freddie Mac hereunder are subject to the pledge of the Indenture to secure payment of the principal or redemption price of and interest on the Bonds (including the Purchase Price in connection with any purchase in lieu of redemption of the Bonds pursuant to Section 3.06 of the Supplemental Resolution); provided that in no event shall Freddie Mac be obligated to pay the principal or redemption price of and interest on Purchased Bonds.

Section 7.2 ***Amendment.*** This Agreement shall be amended only by an instrument in writing executed on behalf of the parties by their duly authorized representatives.

Section 7.3 ***No Individual Liability.*** No covenant or agreement contained in this Agreement shall be deemed to be the covenant or agreement of any member of the Board of Directors of Freddie Mac or any officer, agent, employee or representative of Freddie Mac, or the Trustee, in his or her individual capacity and none of such persons shall be subject to any personal liability or accountability by reason of the execution of this Agreement, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty, or otherwise.

Section 7.4 ***Notices.*** All notices, certificates and other written communications shall be sufficiently given and shall be deemed to be given (unless another form of notice shall be specifically set forth in this Agreement) on the Business Day following the date on which the same shall have been delivered to a national overnight delivery service (receipt of which to be evidenced by a signed receipt for overnight delivery service) with arrangements made for payment of all charges for next business day delivery, addressed as follows (provided that any of such addresses may be changed at any time upon written notice of such change sent, as provided in this Section, to the other party):

To Freddie Mac: Federal Home Loan Mortgage Corporation
8100 Jones Branch Drive
Mail Stop B4F
McLean, Virginia 22102
Attention: Director of Multifamily Loan Servicing
Facsimile: (703) 714-3003
Telephone: (703) 903-2000

with a copy to:

Federal Home Loan Mortgage Corporation
8200 Jones Branch Drive
McLean, Virginia 22102
Attention: Associate General Counsel – Multifamily Legal Department
Facsimile: (703) 903-2885
Telephone: (703) 903-2000

with a copy to:

Federal Home Loan Mortgage Corporation
8100 Jones Branch Drive
Mail Stop B4Q
McLean, Virginia 22102
Attention: Director of Multifamily Loan Accounting
Facsimile: (571) 382- 4798
Telephone: (703) 714-4177

To the Trustee: Manufacturers and Traders Trust Company
Mail Code MD2-CS58
25 South Charles Street
Baltimore, Maryland 21201
Attention: Corporate Trust Department
Facsimile: 410-244-4236
Telephone: 410-545-2066

Notwithstanding anything herein to the contrary, copies of account statements shall be sent to the attention of Freddie Mac's Director of Multifamily Loan Accounting at the above address.

Section 7.5 ***Governing Law.*** This Agreement shall be construed, and the rights and obligations of Freddie Mac and the Trustee hereunder determined in accordance with federal statutory or common law ("federal law"). Insofar as there may be no applicable rule or precedent under federal law and insofar as to do so would not frustrate the purposes of any provision of this agreement, the local law of the Commonwealth of Virginia shall be deemed reflective of federal law. The parties agree that any legal actions between Freddie Mac and the Trustee regarding each party hereunder shall be originated in the United States District Court in and for the Eastern District of Virginia, and the parties hereby consent to the jurisdiction and venue of said Court in connection with any action or proceeding initiated concerning this Agreement.

Section 7.6 ***Severability***. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity of any other provision, and all other provisions shall remain in full force and effect.

Section 7.7 ***Multiple Counterparts.*** This Agreement may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument and each of which shall be, and shall be deemed to be, an original.

Section 7.8 ***Successor Trustee.*** This Agreement and all of the rights and obligations of the Trustee in this Agreement shall be automatically transferred and assigned to a successor Trustee appointed or acting pursuant to the Resolution.

Section 7.9 ***Assignment.*** Except as provided in Section 7.8 hereof, this Agreement and the rights of the Trustee created hereby may not be assigned or transferred by the Trustee.

Section 7.10 ***Acceptance.*** The Trustee accepts the duties imposed upon it by this Agreement and agrees to perform those duties but only upon and subject to the following express terms and conditions:

(a) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Agreement and no implied covenants or obligations shall be read into this Agreement against the Trustee;

(b) as to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceedings, the Trustee shall be entitled to rely in good faith upon a certificate purportedly signed by an authorized signatory of Freddie Mac as sufficient evidence of the facts contained in such certificate;

(c) the permissive right of the Trustee to do things enumerated in this Agreement shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct;

(d) none of the provisions contained in this Agreement shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers under this Agreement except for any liability of the Trustee arising from its own negligence or willful misconduct;

(e) the Trustee is entering into this Agreement solely in its capacity as Trustee under the Resolution and not in its individual or corporate capacity; and

(f) all of the provisions of the Resolution related to the duties, obligations, standard of care, protections and immunities from liability afforded the Trustee under the Resolution shall apply to the Trustee under this Agreement.

[Signatures follow]

IN WITNESS WHEREOF, the parties hereto have caused this Credit Enhancement Agreement to be duly executed by their duly authorized officers or representatives.

FEDERAL HOME LOAN MORTGAGE CORPORATION

By: ______________________________
Name:
Title:

MANUFACTURERS AND TRADERS TRUST COMPANY, as Trustee

By: ____________________________________
Farrah F. Welsh
Trust Officer

[TRUSTEE'S SIGNATURE PAGE TO POPPLETON II CREDIT ENHANCEMENT AGREEMENT]

EXHIBIT A

FORM OF NOTICE UNDER SECTION 3.1(a)(i)

Federal Home Loan Mortgage Corporation
8100 Jones Branch Drive
McLean, VA 22102
Attention: Multifamily Loan Accounting
Facsimile: (571) 382- 4798

Project Name:	Poppleton Phase II Apartments
Related Bonds:	$5,410,000 Community Development Administration, Maryland Department of Housing and Community Development Multi-Family Mortgage Revenue Bonds Series 2009 A-3 and $4,105,000 Community Development Administration, Maryland Department of Housing and Community Development Multi-Family Mortgage Revenue Bonds Series 2010 C
CUSIP Numbers:	Series 2009 A-3: 57419P A41 Series 2010 C: 57419P A25
Loan Numbers.:	Freddie Mac Loan (Construction): 968724019 Freddie Mac Loan (Permanent): 968724000 Freddie Mac Loan (Construction Supplemental Short Term): 968724027

Date of Notice: _______________

CERTIFICATE FOR THE PAYMENT OF GUARANTEED PAYMENT

under Section 3.1(a)(i) of Credit Enhancement Agreement between Freddie Mac and the undersigned, as Trustee, dated as of September 1, 2010 relating to the Bond Mortgage Loan securing the Bonds referenced above

Bond Mortgage Payment Date: _________, ____
Guaranteed Payment: $__________

NOTICE is hereby given that on the Bond Mortgage Payment Date set forth above, a Freddie Mac Credit Enhancement Payment in the amount equal to the Guaranteed Payment, of which amount (1) $_______ represents the Interest Component, of which $__________ represents interest payable on the Bond Mortgage Loan and (if applicable) and $______ represents the portion of the Issuer Fee that is currently due but has not yet been paid by or on behalf of Poppleton Partners II, L.P. as the Borrower, and (2)$_______ represents the Principal Component, is due. The amount of the Guaranteed Payment has been determined pursuant to the above-referenced Credit Enhancement Agreement.

REQUEST is hereby made for payment by Freddie Mac of such Freddie Mac Credit Enhancement Payment in accordance with the Credit Enhancement Agreement.

MANUFACTURERS AND TRADERS TRUST COMPANY, as Trustee

Authorized Signature: ____
Name: ____
Title: ____

EXHIBIT B

FREDDIE MAC MULTIFAMILY

BOND WIRE INSTRUCTION CHANGE REQUEST FORM

Freddie Mac Internal Use:			
Loan Accounting Approval	Date	MF Operations Approval	Date

Bond Trustee – Please complete all required (*) fields. This wire instruction change applies only to the Freddie Mac loan number(s) referenced below.

A. *Trustee's Prior Wire Instructions:*

Bond Property Name: ______________________________

***Freddie Mac Loan Number(s):** ________________________________

***Bank Name:** ____

***Bank City:**____

***Bank State:** ____

***ABA Number:**____

***Account Number:**____

Further Credit Instructions:

Name of Final Credit Party:_______________________________________

Final Credit Party Account Number:_______________________________

B. *Trustee's New Wire Instructions:*

Bond Property Name:____

***Freddie Mac Loan Number(s):** __________________________________

***Bank Name: ____**

***Bank City:____**

***Bank State: ____**

***ABA Number:____**

***Account Number:____**

Further Credit Instructions:

Name of Final Credit Party:___________________________________

Final Credit Party Account Number:____________________________

Effective Date of Notice:_______________________________________, *which date is at least five (5) Business Days after the date of this notice*.

As of the Effective Date set forth above, all wires of funds to the Trustee for the above-referenced Freddie Mac loan number(s) pursuant to the Wire Request System shall be transmitted using the new wire instructions set forth in this notice.

[EXHIBIT B CONTINUES ON FOLLOWING PAGE]

C. **Trustee Authorized Signature:**

Each of the undersigned hereby represents and warrants to Freddie Mac that he/she is a duly appointed officer of the Trustee who is duly authorized to disseminate the Trustee's wire instructions, all of which is evidenced by either (i) resolutions (in full force and effect on the date of the execution of this form) of the board of directors of the Trustee, a true, complete and correct copy of which is attached as Schedule 1 hereto, or (ii) an Incumbency Certificate (in full force and effect on the date of the execution of this form) in the form attached hereto as Schedule 2, which has been signed and sealed by the corporate Secretary or Assistant Secretary of the Trustee, a true, complete and correct copy of which is attached hereto.

Trustee Name: ________________________

Date: ________________________________

Name	**Position/Title**	**Signature**
Address		City, State and Zip Code
Telephone	Fax	E-mail

Name	**Position/Title**	**Signature**
Address		City, State and Zip Code
Telephone	Fax	E-mail

[Insert other Authorized Persons, as needed.]

NOTE: PROVIDE A NOTARY PANEL FOR EACH AUTHORIZED PERSON INDICATED ABOVE.

STATE OF ____________________)

: ss

CITY/COUNTY OF _____________)

On the ____ day of ______________, 20___, before me, the undersigned notary public, personally appeared __________________________, who is personally known to me, or who proved to me on the basis of satisfactory evidence that he/she is the individual whose name is subscribed to the within instrument, and he/she acknowledged to me that he/she executed the same in his/her capacity as the ________________ of _________________________.

[Seal] ____

Notary Public

STATE OF ____________________)

: ss

CITY/COUNTY OF _____________)

On the ____ day of ______________, 20___, before me, the undersigned notary public, personally appeared __________________________, who is personally known to me, or who proved to me on the basis of satisfactory evidence that he/she is the individual whose name is subscribed to the within instrument, and he/she acknowledged to me that he/she executed the same in his/her capacity as the ________________ of _________________________.

[Seal] ____

Notary Public

* This form is to be delivered to: Freddie Mac Multifamily, Loan Accounting Manager, 8100 Jones Branch Drive, Mail Stop B4Q, McLean, VA 22102 via overnight mail service.

SCHEDULE 1

to

Bond Wire Instruction Change Request Form

[INSTRUCTIONS: CORPORATE SECRETARY, PLEASE REMOVE THIS PAGE AND ATTACH AS EXHIBIT "A" THE BOARD RESOLUTION REFERENCED ABOVE USING THE EXAMPLE BELOW.]

EXAMPLE OF CORPORATE RESOLUTION:

BOARD OF DIRECTORS
OF
[INSERT CORPORATION NAME]

DATE: _______________

WHEREAS, the Board of Directors (the "Board") of **[INSERT CORPORATION NAME]** (the "Corporation") is adopting the following Resolution to amend, restate, assign or reassign general delegations of authority regarding its management with respect to subject matters not otherwise covered by specific Resolutions of the Board.

NOW, THEREFORE, BE IT RESOLVED that the individuals listed below are fully authorized and empowered to establish accounts in any bank or financial or depository institution in the name and on behalf, of **[INSERT CORPORATION'S NAME]**; to make deposits in, charge, transfer funds to, or withdraw funds from such accounts by checks, drafts, wire transfers, or other instruments or orders customarily used for the payment of accounts or the transfer of funds, including the proceeds of mortgages; and to make, execute, and deliver, wire transfer instructions or Automated Clearing House (ACH) instructions (if applicable) in writing or by electronic means, including any and all written instruments necessary or proper to effectuate the authority hereby conferred; and that any such actions heretofore taken by any of the following persons on behalf of **[INSERT CORPORATION'S NAME]** are hereby ratified, approved, and confirmed.

[The Resolution should set forth either: (i) designated individuals by their names and their titles or (ii) categories of authorized employees (for example: Senior Vice Presidents, Vice Presidents, Treasurers, etc.)]

By the Board of Directors

____
[Typed Name], Secretary/Assistant Secretary

[ATTACH CORPORATE SEAL]

SCHEDULE 2

to

Bond Wire Instruction Change Request Form

INCUMBENCY CERTIFICATE

The undersigned hereby certifies to the Federal Home Loan Mortgage Corporation ("Freddie Mac") that I am the [Secretary / Assistant Secretary] of Manufacturers and Traders Trust Company (the "Trustee"), a state banking corporation, duly organized and existing under the laws of the State of New York, and that, as such, I am duly authorized to execute this Incumbency Certificate on behalf of the Trustee; and I further certify that each of the following persons, as of the date hereof, holds the office of the Trustee set opposite his or her name below, and that each such person is duly authorized to disseminate the Trustee's wire instructions.

Name:________________________	Title:__________________________
Name:________________________	Title:__________________________
Name:________________________	Title:__________________________
Name:________________________	Title:__________________________

WITNESS the official seal of the Trustee and the signature of the undersigned this ____ day of ____________, 20__.

[ATTACH THE CORPORATE SEAL]

____

Print Name:__________________________

Title: [Secretary / Assistant Secretary]

APPENDIX D

NON-PARITY BONDS AND NON-PARITY LOANS

Name	Owner	Mortgage Loan Amount	Bond Series
Bay Ridge Gardens	BRG 2, LLC	$16,245,000	Series 2010 B/Series 2009 A-2
Rainier Manor	Rainier Redevelopment Associates, LP	$6,500,000	Series 2010 B/Series 2009 A-2
Silverwood Apartments	Silverwood Apartments, LLC	$12,545,000	Series 2010 A/Series 2009 A-1
Indian Bridge Apartments	Indian Bridge LLC	$7,100,000	Series 2010 A/Series 2009 A-1
La Plata Manor	Victory La Plata Limited Partnership	$7,345,000	Series 2010 A/Series 2009 A-1
Park View at Columbia	Columbia LLLP	$4,910,000	Series 2010 A/Series 2009 A-1

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APPENDIX E

BOOK ENTRY ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds (the "Bonds"). The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such maturity.

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

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

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

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

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

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

Redemption proceeds and distributions on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the Administration or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, nor its nominee, Trustee, or the Administration, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Administration or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

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APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

COMMUNITY DEVELOPMENT ADMINISTRATION
MULTI-FAMILY MORTGAGE REVENUE BONDS
$5,410,000 SERIES 2009 A-3
$4,105,000 SERIES 2010 C

This Continuing Disclosure Agreement (the "Agreement") dated as of September 1, 2010, by and between Poppleton Partners II, L.P., a Maryland limited partnership (the "Borrower"), and Manufacturers and Traders Trust Company, as dissemination agent (the "Dissemination Agent") under the Resolution Providing for the Issuance of Multi-Family Mortgage Revenue Bonds of the Community Development Administration Maryland Department of Housing and Community Development adopted as of December 1, 2009 (the "Bond Resolution"), is executed and delivered in connection with the issuance by the Community Development Administration (the "Administration") of its Multi-Family Mortgage Revenue Bonds, Series 2009 A-3 and Series 2010 C (the "Bonds"). Capitalized terms used in this Agreement which are not otherwise defined in the Bond Resolution shall have the respective meanings specified above or in Article IV hereof.

ARTICLE I
The Undertaking

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

Section 1.2. Annual Financial Information. (a) The Borrower shall provide Annual Financial Information with respect to each fiscal year of the Borrower, commencing with fiscal year 2010, by no later than five Business Days prior to the date which is three months after the end of the respective fiscal year, to the Dissemination Agent. The Dissemination Agent shall provide such Annual Financial Information to (i) the MSRB and (ii) the Administration, in each case within five Business Days after receipt by the Dissemination Agent.

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

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

Section 1.4. Material Event Notices. (a) If a Material Event occurs, the Borrower shall provide, in a timely manner, notice of such Material Event to the Dissemination Agent. The Dissemination Agent shall provide notice of each such Material Event to the MSRB within one Business Day after receipt by the Dissemination Agent of notice of such Material Event from the Borrower.

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

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

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

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

ARTICLE II
Operating Rules

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

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

Section 2.3. Material Event Notices. Each notice of a Material Event hereunder shall indicate that it is a notice of a Material Event and shall include the CUSIP number of the Bonds.

Section 2.4. Resignation and Removal of Dissemination Agent. The Borrower may, from time to time, remove the Dissemination Agent and appoint or engage a new dissemination agent to assist it in carrying out its obligations under this Disclosure Agreement. The Dissemination Agent may resign by giving 30 days’ notice of such resignation to the Borrower and the Administration.

Section 2.5. Transmission of Information and Notices. Unless otherwise required by law and, in the Dissemination Agent’s sole determination, subject to technical and economic feasibility, the Dissemination Agent shall employ such methods of information and notice transmission as shall be required by the MSRB or the Administration.

Section 2.6. Fiscal Year. (a) The Borrower's current fiscal year ends December 31, 2010, and the Borrower shall promptly notify the Dissemination Agent in writing of each change in its fiscal year. The Dissemination Agent shall provide such notice to (i) the MSRB and (ii) the Administration, in each case within five Business Days after receipt by the Dissemination Agent of notice thereof.

(b) Annual Financial Information shall be provided at least annually notwithstanding any fiscal year longer than 12 calendar months.

Section 2.7. Direction by Borrower. The execution and delivery of this Agreement by the Borrower shall constitute a direction by the Borrower to the Dissemination Agent to provide the Annual Financial Information, Audited Financial Statement and Material Events notices to the MSRB and the Administration as set forth herein and the Borrower hereby consents thereto.

ARTICLE III
Effective Date, Termination, Amendment and Enforcement

Section 3.1. Effective Date; Termination.

(a) This Agreement shall be effective upon the issuance of the Bonds.

(b) The Borrower's and the Dissemination Agent's obligations under this Agreement shall terminate upon a legal defeasance, prior redemption or payment in full of all of the Bonds.

(c) This Agreement, or any provision hereof, shall be null and void in the event that the Borrower (1) delivers to the Dissemination Agent an opinion of Counsel, addressed to the Administration and the Dissemination Agent, to the effect that those portions of the Rule which require this Agreement, or such provision, as the case may be, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion, and (2) the Dissemination Agent delivers copies of such opinion to (i) the MSRB and (ii) the Administration. The Dissemination Agent shall so deliver such opinion within two Business Days after receipt by the Dissemination Agent.

Section 3.2. Amendment.

(a) This Agreement may be amended, by written agreement of the parties, without the consent of the holders of the Bonds (except to the extent required under clause (4)(ii) below), if all of the following conditions are satisfied: (1) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the Borrower or the type of business conducted thereby, (2) this Agreement as so amended would have complied with the requirements of the Rule as of the date of this Agreement, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (3) the Borrower shall have delivered to the Dissemination Agent an opinion of Counsel, addressed to the Borrower and the Dissemination Agent, to the same effect as set forth in clause (2) above, (4) either (i) the Borrower shall have delivered to the Dissemination Agent an opinion of Counsel or a determination by a person, in each case unaffiliated with the Borrower (such as bond counsel) and acceptable to the Borrower, as the case may be, addressed to the Borrower, the Administration and the Dissemination Agent, to the effect that the amendment does not materially impair the interests of the holders of the Bonds or (ii) the holders of the Bonds consent to the amendment to this Agreement pursuant to the same procedures as are required for amendments to the Bond Resolution with consent of holders of Bonds pursuant to the Bond Resolution as in effect on the date of this Agreement, and (5) the Dissemination Agent shall have delivered copies of such opinion(s) and amendment to (i) the MSRB and (ii) the Administration. The Dissemination Agent shall so deliver such opinion(s) and amendment within two Business Days after receipt by the Dissemination Agent.

(b) In addition to subsection (a) above, this Agreement may be amended, by written agreement of the parties, without the consent of the holders of the Bonds, if all of the following conditions are satisfied: (1) an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date of this Agreement which is applicable to this Agreement, (2) the Borrower shall have delivered to the Dissemination Agent an opinion of Counsel, addressed to the Borrower, the Administration and the Dissemination Agent, to the effect that performance by the Borrower and Dissemination Agent under this Agreement as so amended will not result in a violation of the Rule and (3) the Dissemination Agent shall have delivered copies of such opinion and amendment to (i) the MSRB and (ii) the Borrower. The Dissemination Agent shall so deliver such opinion and amendment within two Business Days after receipt by the Dissemination Agent.

(c) To the extent any amendment to this Agreement results in a change in the type of financial information or operating data provided pursuant to this Agreement, the first Annual Financial Information provided thereafter shall include a narrative explanation of the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

(d) If an amendment is made pursuant to Section 3.2(a) hereof to the accounting principles to be followed by the Borrower in preparing its financial statements, the Annual Financial Information for the fiscal year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative and, to the extent reasonably feasible, quantitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information.

Section 3.3. Benefit; Third-Party Beneficiaries; Enforcement.

(a) The provisions of this Agreement shall constitute a contract with and inure solely to the benefit of the holders from time to time of the Bonds, except that beneficial owners of Bonds shall be third-party beneficiaries of this Agreement. The provisions of this Agreement shall create no rights in any person or entity except as provided in this subsection (a) and subsection (b) of this Section.

(b) The obligations of the Borrower to comply with the provisions of this Agreement shall be enforceable (i) in the case of enforcement of obligations to provide financial statements, financial information, operating data and notices, by any holder of Outstanding Bonds, or by the Dissemination Agent on behalf of the holders of Outstanding Bonds, or (ii) in the case of challenges to the adequacy of the financial statements, financial information and operating data so provided, by the Dissemination Agent on behalf of the holders of Outstanding Bonds; provided, however, that the Dissemination Agent shall not be required to take any enforcement action except at the direction of the holders of not less than 25% in aggregate principal amount of the Bonds at the time Outstanding who shall have provided the Dissemination Agent with adequate security and indemnity. The holders' and Dissemination Agent's rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the Borrower or the Borrower's obligations under this Agreement. In consideration of the third-party beneficiary status of beneficial owners of Bonds pursuant to subsection (a) of this Section, beneficial owners shall be deemed to be holders of Bonds for purposes of this subsection (b).

(c) Any failure by the Borrower or the Dissemination Agent to perform in accordance with this Agreement shall not constitute a default or an Event of Default under the Bond Resolution or the Financing Agreement, and the rights and remedies provided by the Bond Resolution and the Financing Agreement upon the occurrence of a default or an Event of Default shall not apply to any such failure.

(d) This Agreement shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of this Agreement shall be instituted in a court of competent jurisdiction in the State; provided, however, that to the extent this Agreement addresses matters of federal securities laws, including the Rule, this Agreement shall be construed in accordance with such federal securities laws and official interpretations thereof.

ARTICLE IV
Definitions

Section 4.1. Definitions. The following terms used in this Agreement shall have the following respective meanings:

(1) "Annual Financial Information" means, collectively, (i) updated versions of the following financial information and operating data contained in the Official Statement, for each fiscal year of the Borrower and (ii) the information regarding amendments to this Agreement required pursuant to Sections 3.2(c) and (d) of this Agreement. Annual Financial Information shall include Audited Financial Statements, if available, or Unaudited Financial Statements.

The descriptions contained in clause (i) above of financial information and operating data constituting Annual Financial Information are of general categories of financial information and operating data. When such descriptions include information that no longer can be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be provided in lieu of such information. Any Annual Financial Information containing modified financial information or operating data shall explain, in narrative form, the reasons for the modification and the impact of the modification on the type of financial information or operating data being provided.

(2) "Audited Financial Statements" means the annual financial statements, if any, of the Borrower, audited by such auditor as shall then be required or permitted by State law or the Bond Resolution. Audited Financial Statements shall be prepared in accordance with GAAP; provided, however, that pursuant to Section 3.2(a) hereof, the Borrower may from time to time, if required by Federal or State legal requirements, modify the accounting principles to be followed in preparing its financial statements. The notice of any such modification required by Section 3.2(a) hereof shall include a reference to the specific Federal or State law or regulation describing such accounting principles, or other description thereof.

(3) "Counsel" means nationally recognized bond counsel or counsel expert in federal securities laws, acceptable to the Borrower and the Dissemination Agent.

(4) "GAAP" means generally accepted accounting principles as prescribed for governmental units from time to time by the Governmental Accounting Standards Board, the Financial Accounting Standards Board, or any successor to the duties and responsibilities of either of them.

(5) "Material Event" means any of the following events with respect to the Bonds, whether relating to the Borrower or otherwise, if material:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults;

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

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

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

(vi) adverse tax opinions or events affecting the tax-exempt status of the security;

(vii) modifications to rights of security holders;

(viii) bond calls;

(ix) defeasances;

(x) release, substitution, or sale of property securing repayment of the securities; and

(xi) rating changes.

(6) "MSRB" means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the SEC, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at http://emma.msrb.org.

(7) "Official Statement" means the Official Statement of the Borrower relating to the Bonds.

(8) "Rule" means Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

(9) "SEC" means the United States Securities and Exchange Commission.

(10) "State" means the State of Maryland.

(11) "Unaudited Financial Statements" means the same as Audited Financial Statements, except that they shall not have been audited.

ARTICLE V
Miscellaneous

Section 5.1. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have no obligation to make disclosure about the Bonds or the Borrower except as expressly provided herein; provided that nothing herein shall limit the duties or obligations of the Dissemination Agent, as Trustee, under the Bond Resolution or the duties of the Borrower under the Financing Agreement. The fact that the Dissemination Agent or any affiliate thereof may have any fiduciary or banking relationship with the Borrower, apart from the relationship created by the Bond Resolution or the Financing Agreement, shall not be construed to mean that the Dissemination Agent has actual knowledge of any event or condition except in its capacity as Trustee under the Bond Resolution or except as may be provided by written notice from the Borrower. Nothing in this Agreement shall be construed to mean that the Dissemination Agent is an "obligated person" under the Rule.

(b) In its actions under this Agreement, the Dissemination Agent is acting not as Trustee but as the Borrower's agent; provided that the Dissemination Agent shall be entitled to the same protection in so acting under this Agreement as it has in acting as Trustee under the Bond Resolution.

(c) The Borrower shall pay or reimburse the Dissemination Agent for its fees and expenses for the Dissemination Agent's services rendered in accordance with this Agreement as provided in the Financing Agreement.

(d) In addition to any and all rights of the Dissemination Agent to reimbursement, indemnification and other rights pursuant to the Bond Resolution or the Financing Agreement or under law or equity, the Borrower shall indemnify and hold harmless the Dissemination Agent and its officers, directors, employees and agents from and against any and all claims, damages, losses, liabilities, reasonable costs and expenses whatsoever (including attorney fees) which such indemnified party may incur by reason of or in connection with the Dissemination Agent's performance under this Agreement; provided that the Borrower shall not be required to indemnify the Dissemination Agent for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by the willful misconduct or gross negligence of the Dissemination Agent in such disclosure of information hereunder. The obligations of the Borrower under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 5.2. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 5.3. No Personal Liability. No member, officer, director or employee of the Borrower, past present or future, shall have any personal liability on the Bonds or under this Agreement or be subject to any personal liability or accountability by reason of the issuance of the Bonds or the undertaking set forth herein under any constitutional provision, statute, or rule of law or by the enforcement of any assessment or penalty or otherwise.

Section 5.4. Notices. Any notices or communications given under this Agreement shall be given in accordance with Section 8.1 of the Financing Agreement.

Section 5.5. Severability. If any provision hereof shall be held invalid or unenforceable by a court of competent jurisdiction, the remaining provisions hereof shall survive and continue in full force and effect.

IN WITNESS WHEREOF, the parties have each caused this Agreement to be executed by their duly authorized representatives, all as of the date first above written.

MANUFACTURERS AND TRADERS TRUST COMPANY, as Dissemination Agent

By: ______________________________________

POPPLETON PARTNERS II, L.P.,
a Maryland limited partnership

By: NHTE Poppleton, LLC, a Maryland limited liability company, its Managing General Partner

By: National Housing Trust-Enterprise Preservation Corporation, a District of Columbia nonprofit corporation, its Sole Member

By: ________________________________

[SIGNATURE PAGE TO THE CONTINUING DISCLOSURE AGREEMENT]

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