INDENTURE: MULTI-FAMILY MORTGAGE REVENUE BONDS (1995 RESOLUTION): BOND SERIES: SERIES A:

PAGE NO. 1-1995 A

SERIES DATE: 09/01/95 SERIES SOLD: 09/28/95

Trustee Effective May 1, 2006 Program Administrator: N.C. Housing Finance Agency

The Bank of New York Mellon 10161 Centurion Parkway Jacksonville, FL 32256 (904) 645-1956 Contact: Christine Boyd P.O. Box 28066 Raleigh, NC 27611-8066 (919) 877-5700

Contact: Scott Farmer, Director of Rental Investment (919) 877-5641 Contact: Elizabeth I. Rozakis, Chief Financial Officer (919) 877-5687

GENERAL INFORMATION:

LOAN PORTFOLIO: CHARACTERISTICS (AS A % OF LOANS: OUTSTANDING):

| Bonds Outstanding: Bond Yield Mortgage Loan Prin. Outstanding Mortgage Rate | 4,565,000 6.21% 5,009,206 7.02% | New Construction: Existing Home: Total | 100.00% <u>0.00%</u> <u>100.00%</u> | FHA (Full) FHA (Co-Insurance) Uninsured GNMA |
|---|--|---|---|--|
| Original Mortgage Amount: Total No. of Loans Transferred: Total No. of Loans Outstanding: | 20,061,600 20 9 | Fixed Rate Mortgages Graduated Pmt Mortgages Growing Equity Mortgages Variable Rate Mortgages Total | 100.00% 0.00% 0.00% 0.00% 100.00% | Federal Subsidies 100%-HUD Section 8 Partial State Subsidies 100% Partial |

Note: The bonds were issued to currently refund \$21,770,000 Multi-Family Housing Revenue Bonds, 1980 Series A, dated October 1, 1980.

CURRENT PROJECT INFORMATION:

| 1. 1.1. | | 4,4,4,4,4,4,4,4,4,4,4,4,4,4,4,4 | | Original | Current | Original | HAP |
|---------|---------------------|---------------------------------|----------|-----------|-------------|----------|----------------|
| | | Project | Interest | Mortgage | Principal | Maturity | Contract |
| Pro | ject Name | Number | Rate | Amount | Outstanding | Date | Exp. Date |
| 1 | Catawba Pines Apts | 053-35363-PM-L8 | 7.02% | 1,873,800 | 1,167,276 | 11/01/19 | 05/05/06 |
| 2 | Ellerbe Manor Apts | 053-35370-PM-PAH-L8 | 7.02% | 1,315,400 | 0 | 01/01/20 | 12/15/06 |
| 3 | Old Farm Apts | 053-35360-PM-PAH-L8 | 7.02% | 1,879,300 | 0 | 10/01/19 | 11/06/04 |
| 4 | Tanglewood | 053-35364-PM-L8 | 7.02% | 1,478,300 | 0 | 09/01/19 | 05/06/06 |
| 5 | Willow Terrace Apts | 053-35337-PM-L8 | 7.02% | 417,400 | 0 | 11/01/19 | 01/06/05 |
| 6 | Royal Lane Apts | 053-35358-PM-L8 | 7.02% | 1,672,700 | 0 | 11/01/19 | 06/30/06 |
| 7 | Mays Landing | 053-35331-PM-WAH-L8 | 7.02% | 717,800 | 0 | 08/01/20 | 04/12/07 |
| 8 | Andrews Gardens | 053-35347-PM-WAH-L8 | 7.02% | 362,100 | 233,811 | 06/01/20 | 02/03/07 |
| 9 | Maxton Village | 053-35324-PM-L8 | 7.02% | 529,800 | 0 | 08/01/19 | 08/20/06 |
| 10 | Gibson Village | 053-35313-PM-L8 | 7.02% | 475,000 | 291,453 | 08/01/19 | 07/23/06 |
| 11 | Finley Village | 053-35352-PM-WAH-L8 | 7.02% | 735,600 | 462,865 | 01/01/20 | 09/02/06 |
| 12 | Mountain Village | 053-35349-PM-WAH-L8 | 7.02% | 1,029,700 | 650,873 | 02/01/20 | 09/16/06 |
| 13 | Watauga Village | 053-35353-PM-WAH-L8 | 7.02% | 891,500 | 564,345 | 02/01/20 | 11/17/06 |
| 14 | Fischer Village | 053-35327-PM-WAH-L8 | 7.02% | 405,900 | 0 | 09/01/19 | 07/22/06 |
| 15 | Bailey Lane | 053-35328-PM-L8 | 7.02% | 970,000 | 598,109 | 09/01/19 | 07/30/06 |
| 16 | Lewis Village | 053-35332-PM-L8 | 7.02% | 977,500 | 0 | 02/01/20 | 08/13/05 |
| 17 | Asbury Park | 053-35333-PM-L8 | 7.02% | 1,460,100 | 0 | 02/01/20 | See note below |
| 18 | East Winds | 053-35348-PM-WAH-L8 | 7.02% | 810,600 | 512,750 | 02/01/20 | 10/14/06 |
| 19 | Colony Manor | 053-35373-PM-L8 | 7.02% | 853,600 | 527,724 | 10/01/19 | 05/04/06 |
| 20 | The Oaks | 053-35369-PM-L8 | 7.02% | 1,205,500 | <u>0</u> | 10/01/19 | 04/13/06 |
| | | | | | | | |

Total <u>20.061,600</u> <u>5.009,206</u>

Note: Asbury Park was flooded by Hurricane Floyd on September 17, 1999. The property was assigned to the U.S. Department of Housing and Urban Development on May 26, 2000. Bonds were redeemed with the insurance proceeds on July 1, 2000.

| INDENTURE: ML BOND SERIES: SE | JLTI-FAMILY MO RIES A | PRTGAGE REVEN | JE BONDS (1985 RESOLUTION): | PAGE NO. 2-1995 A | 4 |
|----------------------------------|--------------------------|----------------|--|-------------------|---|
| DELINQUENCY STATIS | STICS (AS A % C | F LOANS OUTSTA | NDING): (AS %:OF PRINCIPAL BALANG % | CE OUTSTANDING): | |
| 60 days | 0.00 | 0 | 0.00 | 0 | |
| 90 days | 0.00 | 0 | 0.00 | 0 | |
| Real Estate Owned | 0.00 | 0 | 0.00 | 0 | |

77.78%

MORTGAGE LOAN SERVICERS: Servicer

North Carolina Housing Finance Agency

Capmark

Wells Fargo

of Loans % of Portfolio 11.11% 1 11.11%

7 TOTAL 9 100.00%

LIST: OF BONDS BY: MATURITY:

| CUSIP | Maturity | Bond | Interest | Original | Principal | Principal | Principal | Bond Call |
|-----------|----------|-------------------|----------|--------------|-------------|-------------|-------------|-------------------|
| Number | Date | Type | Rate | Amount | Matured | Redemptions | Outstanding | Sequence (Note 1) |
| 050005555 | 07/04/00 | 0 | 0.7000/ | **** | **** | • | 40 | |
| 65820EDD9 | 07/01/96 | Serial | 3.700% | \$225,000 | \$225,000 | \$0 | \$0 | |
| 65820EDS6 | 01/01/97 | Serial | 3.850% | 225,000 | 225,000 | 0 | 0 | |
| 65820EDE7 | 07/01/97 | Serial | 3.850% | 230,000 | 230,000 | 0 | 0 | |
| 65820EDT4 | 01/01/98 | Serial | 4.050% | 235,000 | 235,000 | 0 | 0 | |
| 65820EDF4 | 07/01/98 | Serial | 4.050% | 240,000 | 240,000 | 0 | 0 | |
| 65820EDU1 | 01/01/99 | Serial | 4.150% | 245,000 | 245,000 | 0 | 0 | |
| 65820EDG2 | 07/01/99 | Serial | 4.150% | 250,000 | 250,000 | 0 | 0 | |
| 65820EDV9 | 01/01/00 | Serial | 4.300% | 255,000 | 255,000 | 0 | 0 | |
| 65820EDH0 | 07/01/00 | Serial | 4.300% | 260,000 | 260,000 | 0 | 0 | |
| 65820EDW7 | 01/01/01 | Serial | 4.450% | 265,000 | 245,000 | 20,000 | 0 | |
| 65820EDJ6 | 07/01/01 | Serial | 4.450% | 275,000 | 255,000 | 20,000 | 0 | |
| 65820EDX5 | 01/01/02 | Serial | 4.550% | 280,000 | 260,000 | 20,000 | 0 | |
| 65820EDK3 | 07/01/02 | Serial | 4.550% | 285,000 | 265,000 | 20,000 | 0 | |
| 65820EDY3 | 01/01/03 | Serial | 4.650% | 290,000 | 270,000 | 20,000 | 0 | |
| 65820EDL1 | 07/01/03 | Serial | 4.650% | 300,000 | 280,000 | 20,000 | 0 | |
| 65820EDZ0 | 01/01/04 | Serial | 4.800% | 305,000 | 280,000 | 25,000 | 0 | |
| 65820EDM9 | 07/01/04 | Serial | 4.800% | 315,000 | 290,000 | 25,000 | 0 | |
| 65820EEA4 | 01/01/05 | Serial | 4.900% | 320,000 | 295,000 | 25,000 | 0 | |
| 65820EDN7 | 07/01/05 | Serial | 4.900% | 330,000 | 305,000 | 25,000 | 0 | |
| 65820EEB2 | 01/01/06 | Serial | 5.050% | 340,000 | 275,000 | 65,000 | 0 | |
| 65820EEC0 | 07/01/06 | Serial | 5.050% | 345,000 | 280,000 | 65,000 | 0 | |
| 65820EED8 | 01/01/07 | Serial | 5.200% | 355,000 | 245,000 | 110,000 | 0 | |
| 65820EDP2 | 07/01/07 | Serial | 5.200% | 365,000 | 230,000 | 135,000 | 0 | |
| 65820EEE6 | 01/01/08 | Serial | 5.300% | 375,000 | 150,000 | 225,000 | 0 | |
| 65820EEF3 | 07/01/08 | Serial | 5.300% | 385,000 | 155,000 | 230,000 | 0 | |
| 65820EDQ0 | 07/01/13 | Term (Note 2) | 5.800% | 4,510,000 | 145,000 | 2,815,000 | 1,550,000 | |
| 65820EDR8 | 07/01/20 | Term (Note 3) | 5.900% | 8,065,000 | 0 | 5,050,000 | 3,015,000 | |
| | | Total 1995 Series | А | \$19,870,000 | \$6,390,000 | \$8,915,000 | \$4,565,000 | |

Note 1: See optional and special redemption provisions on page 3-1995A.

Note 2: Sinking fund redemptions begin on January 1, 2009.

Note 3: Sinking fund redemptions begin on January 1, 2014.

| INDENTURE: MULTI-FAMILY M BOND SERIES: SERIES A | ÖRTGAGE REVENUE BOI | VDS (1995 RESOLÚTION) | | PAGE NO. 3-1995 A |
|--|------------------------|-----------------------|--------------------------------|-------------------|
| LIST OF UNSCHEDULED REDEMPTIO | ons: | | | |
| Call Date | Call Amount | Type of Call | Source of Funds | |
| 07/01/00 07/01/05 | 1,310,000 1,725,000 | Pro rata Pro rata | Insurance Proceeds Prepayments | |
| 06/01/06 | 1,695,000 | Pro rata | Prepayments | |
| 01/01/07 | 860,000 | Pro rata | Prepayments | |
| 06/01/07 | 645,000 | Pro rata | Prepayments | |
| 08/01/07 | 1,165,000 | Pro rata | Prepayments | |
| 09/01/07 | 1,015,000 | Pro rata | Prepayments | |
| 07/01/08 | <u>500,000</u> | Pro rata | Prepayments | |

Bond Call Information:

Special Redemption

The 1995 Series A Bonds may be redeemed in part (by lot if within a single maturity), on any interest payment date, at the principal amount thereof plus accrued interest to the date of redemption from:

\$8,915,000.00

(i) unexpended proceeds,

TOTAL

- (ii) recovery payments on mortgage loans purchased with the bond proceeds or moneys derived therefrom,
- (iii) moneys withdrawn from the debt service reserve fund pursuant to a decrease in the debt service
- (iv) moneys withdrawn from the mortgage reserve fund upon the sale or assignment of a mortgage loan.

Optional Redemption

The 1995 Series A Bonds are redeemable at the option of the Agency on or after July 1, 2005, either as a whole or in part (by lot if within a single maturity), on any date, at the following redemption prices plus accrued interest to the date of redemption:

| Period | Redemption Prices (expressed as a percentage) |
|-------------------------------|---|
| July 1, 2005 to June 30, 2006 | 102.0% |
| July 1, 2006 to June 30, 2007 | 101.0% |
| July 1, 2007 to thereafter | 100.0% |

Bonds redeemed pursuant to an special/optional redemption shall be redeemed on a prorata basis unless the Agency files with the Trustee a notice of intent to call bonds on other than a prorata basis together with a cash flow certificate.

| | MILY MORTGAGE REVENUE BO | | | | | PAGE NO. | 4-1995 A |
|-------------------------------|--|------------------------------------|----------------------|--|-------------------------|---------------------|----------|
| LIST OF OUTSTANDING INVE | STMENTS FOR RESOLUTION BY | FUND (OVER \$100,000): (TOTA | FOR ENTIRE | RESOLUTION) | | | |
| <u>Fund</u> | Investment <u>Type</u> | Issuer | Investment Amount | Rate Of Investment | Maturity <u>Date</u> | Call <u>Date</u> | |
| Bond Service Fund Interest | ST Investment Fund | NC State Treasurer | 133,893 | 1.74% | N/A | N/A | |
| Principal | ST Investment Fund | NC State Treasurer | 155,000 | 1.74% | N/A | N/A | |
| FUND TOTAL | | | 288,893 | | | | |
| Mortgage Reserve | Inv. Agreement | Morgan Stanley | 309,660 | 5.61% | 07/01/20 | N/A | |
| Revenue Reserve | Inv. Agreement | Morgan Stanley | 2,230,502 | 5.26% | 07/01/20 | N/A | |
| TOTAL INVESTMENTS | | | 2,829,055 | | | | |
| | | | | | | | |
| | INDENTURE::(Total for entire:res | Origina Amoun | I | Current Amount | | | |
| Revenue Mortgage | rice Reserve Fund Reserve Fund Reserve Fund nent Reserve Fund | 0 0 322,780 <u>61,085</u> | | 0 2,296,931 309,660 <u>61,085</u> | See note below. | | |
| | | <u>383,865</u> | | 2,667,676 | | | |
| | eserve fund is secured with a surety | <u> </u> | | | | | |
| | Total Assets | Total Liabilities | s Su | urplus or (Deficit) | | | |
| | <u>8,479,443</u> | 4,455,281 | | 4,024,162 | | | |