

**SOLICITATION STATEMENT AND CONSENT**  
**DATED MARCH 2, 2011**  
relating to  
**CAPMARK MILITARY HOUSING TRUST XXIX**  
**FORT RILEY PROJECT CERTIFICATES**  
consisting of:

<u>Series</u>	<u>Issue Date</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>CUSIP #</u>	<u>Maturity Date</u>
2006A-1	July 3, 2006	\$212,100,000	6.147%	14066AAA7	July 10, 2051
2006A-2	July 3, 2006	\$70,700,000	Variable rate at one month LIBOR plus 0.370% per annum	14066AAB5	July 10, 2051

Riley Communities, LLC, a Kansas limited liability company (the “**Existing Borrower**”) has engaged Barclays Capital as its agent (the “**Agent**”), to solicit (the “**Solicitation**”) from the beneficial owners (the “**Owners**”) of the above-referenced certificates (the “**Existing Certificates**”) their consent (the “**Consent**”) to the refunding exchange at par (without prepayment premium) (the “**Exchange**”) of each and all of the Existing Certificates in an aggregate outstanding principal amount of approximately \$282,800,000 (based on the par amount of the Existing Certificates outstanding on February 1, 2011) for replacement certificates in the equal principal amount of approximately \$282,800,000, bearing interest and maturing at the same rates and dates and having the same redemption provisions as the Existing Certificates (the “**Replacement Certificates**”).

The Agent will contact each Owner and request from each Owner its Consent in the form attached as Exhibit A to the Summary Terms and Conditions attached hereto. **The Consent must be executed by all of the Owners in order for the Replacement Certificates to be issued.** If this Solicitation Statement is acceptable to the Owner, the Owner will be asked to sign two copies of the Consent and to return one copy to the Agent. Only Owners of Existing Certificates as of 5:00 PM, New York City time, on March 8, 2011 will be entitled to Consent to the Exchange.

The Existing Borrower is soliciting the Owners’ Consent for several business reasons. Due to the economic events of the past two years and certain changes being implemented by the United States Government, it is desirable that the Replacement Certificates be issued under a New Grantor Trust Agreement evidencing an undivided interest in a New Loan made under a New Loan Agreement and serviced under a New Servicing Agreement (each as defined herein). The Existing Borrower believes that the changes described in this Solicitation Statement will increase the value, the credit rating and liquidity of the Replacement Certificates and facilitate the development and future growth of the Project (as defined herein).

The Existing Certificates do not have a rating from the credit rating agencies (“**Rating Agencies**”). As described below, Ambac Assurance Corporation (“**Ambac**”), which is the provider of a financial guaranty insurance policy as credit enhancement and a surety bond for the debt service reserve fund for the Existing Certificates, has experienced a severe decline in its financial strength. As a result, the Rating Agencies have either withdrawn or significantly reduced Ambac’s credit ratings. Accordingly, the Existing Certificates no longer receive any ratings benefit from the Ambac credit enhancement, and Ambac’s surety bond is ineffective for meeting Rating Agency debt service reserve fund requirements. The latter condition effectively prevents the Existing Certificates from receiving appropriate ratings based upon the quality of the underlying assets. In addition, Ambac Financial Services, LLC (“**AFS**”) provides an interest rate swap to fix the interest rate on the variable rate Loan (as defined below), which secures the Series 2006A-2 Existing Certificates. The obligations of AFS under the swap are insured by Ambac. This has also adversely affected the rating of those Existing Certificates. There will be a new swap provider with a credit rating of at least “A” with respect to the variable rate Loan (the “**New Swap Provider**”). In addition to the general loss of liquidity and market value, the fact that the Existing Certificates do not have an investment grade rating has required certain institutional Owners to establish valuation reserves.

In connection with the Exchange, the Ambac reserve fund surety bond will be replaced with an advancing structure (which will generally have the features of the advancing structure customarily employed in commercial mortgage-backed securities transactions that have been assigned credit ratings by the Rating Agencies) provided by Pacific Life Insurance Company as the new servicer (the “**New Servicer**” or “**Pacific Life**”). The New Servicer will, subject to certain limitations described herein (including, without limitation, subject to the New Servicer’s determination in respect of recoverability), provide advances out of its own funds for payment of principal and interest on the New Loan, to the extent the New Servicer does not receive sufficient funds from the New Borrower (as defined herein) on the New Loan to make such payments. The advances are intended to maintain temporary liquidity and a regular flow of scheduled interest and principal payments to the Owners, but will not provide any credit support for the Replacement Certificates. It is anticipated that the replacement of Ambac’s surety bond with the New Servicer’s agreement under the New Servicing Agreement to make advances will enable the Replacement Certificates to be rated “A” or higher by Standard & Poor’s Rating Services (“**S&P**”).

Jefferies Mortgage Finance Inc. (the “**Existing Servicer**”), the servicer of the Existing Loan, will not be the servicer under the New Servicing Agreement. Pacific Life, which is a rated servicer, has a significant amount of experience servicing commercial mortgage loans and other real estate investments (including construction loans), and is assigned the reporting function of the New Servicer under the relevant transaction documents, is expected to provide greater transparency and more information to the Owners regarding the status of the Project than the Existing Servicer historically has provided. The New Servicer will service the New Loan and the Project while the New Loan is both performing and non-performing. Compensation to be paid to the New Servicer will be as set forth in the New Servicing Agreement.

In connection with the Exchange, the Existing Borrower will transfer the Project and sublease the land to Riley Housing, LLC, a Delaware limited liability company (the “**New Borrower**”), which will enter into the New Loan Agreement and the New Servicing Agreement. These ownership changes should enable the New Borrower to borrow additional funds over the life of operation of the Project, which may be used to support the Project or certain other military housing projects and will not affect the credit rating of the Replacement Certificates.

**Due to the replacement of Ambac’s reserve fund surety with the advancing structure to be provided by the New Servicer (as described herein and subject to the provisions of the transaction documents), the removal of Ambac credit enhancement, the termination of the swap with AFS and its replacement with a swap with the New Swap Provider, and the New Borrower’s enhanced ability to borrow additional funds, the Existing Borrower expects that the Replacement Certificates will receive a rating of “A” or higher by S&P. This rating will benefit the Owners and the Project by increasing the value and the marketability of the Replacement Certificates and by enabling the New Borrower to borrow additional funds, allowing for the continued growth, renovation and replacement of the Project.**

**BARCLAYS CAPITAL**