NEW ISSUE **RATING: Moody's: "MIG1"**
BOOK ENTRY ONLY **(See "RATING" herein)**

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, 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.

$6,900,000
COMMUNITY DEVELOPMENT ADMINISTRATION
MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
Multifamily Development Revenue Bonds (C.W. Brooks Mid-Rise) Series 2010 A

Dated: Date of Delivery **Due: June 1, 2012**

The Community Development Administration, a unit of the Division of Development Finance of the Department of Housing and Community Development, a principal department of the State of Maryland (the "Issuer" or the "Administration") has agreed to issue its Multifamily Development Revenue Bonds (C.W. Brooks Mid-Rise) Series 2010 A in the original aggregate principal amount of $6,900,000 (the "Bonds").

The Bonds will be issued under the provisions of the Trust Indenture dated as of May 1, 2010 (the "Indenture"), between the Issuer and Manufacturers and Traders Trust Company, as trustee (the "Trustee"). The Bonds will be issued for the purpose of making a loan to C.W. Brooks LLC, a Maryland limited liability company (the "Borrower") to finance a portion of the costs of the construction and equipping of a multifamily residential rental housing development located in Hagerstown, Maryland, as more fully described under "THE PROJECT AND THE BORROWER" herein. The Bonds, when, as and if issued will be special obligations of the Issuer, payable solely from the revenues and other moneys assigned by the Indenture to secure such payment, which include the payments required to be made by the Borrower under a Financing Agreement dated as of May 1, 2010, between the Borrower and the Issuer.

The Bonds will be issued as fully registered bonds in book entry form and book entry interests in the Bonds will be available for purchase in principal amounts of $5,000 or any integral multiple thereof. Interest on the Bonds is payable on December 1 and June 1 of each year, commencing December 1, 2010. Owners of book entry interests in the Bonds will not receive physical delivery of bond certificates. The Depository Trust Company, New York, New York ("DTC") will act as a securities depository for the Bonds. DTC, or its nominee, will receive all payments with respect to the Bonds from the Trustee. DTC is required by its rules and procedures to remit such payments to participants in DTC for subsequent disbursement to the owners of book entry interests. See "THE BONDS—Book Entry System" herein.

The Bonds are subject to redemption prior to their stated maturity. See "THE BONDS—Redemption of Bonds" herein.

The Bonds are special obligations of the Administration payable solely from the revenues pledged therefor under the Indenture. 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 offered, when, as and if issued by the Issuer and accepted by the Underwriter, subject to, among other things, the approving opinion of Kutak Rock LLP, Washington, D.C., Bond Counsel. 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 the Underwriter by Hawkins Delafield & Wood LLP, Washington, D.C., for the Authority by Klein Hornig, LLP, Washington, D.C. and for the Borrower by Greenberg Traurig, LLP, Philadelphia, Pennsylvania. It is expected that the Bonds will be available for delivery in definitive form on or about May 27, 2010 through the services of DTC against payment therefor.

RBC CAPITAL MARKETS

Dated May 12, 2010.

MATURITY SCHEDULE

Year	Amount	Interest Rate	Price	CUSIP
June 1, 2012	$6,900,000	1.375%	100%	57419P WA3

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds identified on the cover hereof. No person has been authorized to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. The information and expression of opinions herein are subject to change without notice and neither the delivery of this Official Statement nor the sale of any of the Bonds shall, under any circumstances, create any implication that the information herein is correct as of any time subsequent to the date hereof.

The Issuer has not provided or approved any information in this Official Statement under the captions "SOURCES AND USES OF FUNDS," "THE PROJECT AND THE BORROWER," "THE AUTHORITY," "AUTHORITY LOAN AND DISBURSEMENT OF BOND PROCEEDS," "LITIGATION–The Borrower," "TAX MATTERS," "APPENDIX A–DEFINITIONS OF CERTAIN TERMS," "APPENDIX B–FORM OF BOND COUNSEL OPINION," "APPENDIX C–SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE," "APPENDIX D–SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AGREEMENT," "APPENDIX E–SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT," "APPENDIX F–FORM OF CONTINUING DISCLOSURE AGREEMENT" and "APPENDIX G–BOOK ENTRY SYSTEM." Although the information under the foregoing captions of this Official Statement contains information from sources believed to be reliable, the Issuer makes no representation as to the contents of the foregoing captions, and neither the Issuer 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, tax or other laws or regulations. The Issuer's role is limited to the issuance of the Bonds.

Information herein has been obtained from the Issuer and the Borrower and other sources believed to be reliable, but it is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriter.

The Underwriter has provided the following paragraph for inclusion in this Official Statement:

The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Upon issuance, the Bonds will not be registered by the Issuer under the Securities Act of 1933, as amended, or any state securities law, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency will have passed upon the accuracy or adequacy of this Official Statement or, other than the Issuer (to the extent described herein) approved the Bonds for sale.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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OFFICIAL STATEMENT

$6,900,000
COMMUNITY DEVELOPMENT ADMINISTRATION
MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
Multifamily Development Revenue Bonds
(C.W. Brooks Mid-Rise)
Series 2010 A

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 the entire Official Statement, including the cover page, the inside cover page, this introductory statement and the Appendices hereto. Capitalized terms used but not defined in this Official Statement have the meanings ascribed to them as set forth under "APPENDIX A—DEFINITION OF CERTAIN TERMS."

The Community Development Administration, an unit of the Division of Development Finance of the Department of Housing and Community Development, a principal department of the State of Maryland (the "Issuer" or the "Administration") has agreed to issue its Multifamily Development Revenue Bonds (C.W. Brooks Mid-Rise) Series 2010 A in the original aggregate principal amount of $6,900,000 (the "Bonds"). The Bonds are being issued pursuant to Sections 4-101 through 4-255 of the Housing and Community Development Article of the Annotated Code of Maryland, as amended (the "Act") and a Trust Indenture dated as of May 1, 2010 (the "Indenture"), between the Issuer and Manufacturers and Traders Trust Company, as trustee (the "Trustee").

The Issuer will loan the proceeds of the sale of the Bonds to C.W. Brooks LLC, a Maryland limited liability company (the "Borrower"), pursuant to a Financing Agreement dated as of May 1, 2010 (the "Financing Agreement"), between the Issuer and the Borrower to pay a portion of the costs of construction and equipping of a multifamily residential rental housing development comprised of 60 residential rental units located in Hagerstown, Maryland to be known as C.W. Brooks Mid-Rise (the "Project"). See "THE PROJECT AND THE BORROWER." The Financing Agreement, except for the Unassigned Issuer's Rights, will be assigned without recourse by the Issuer to the Trustee for the benefit of the holders of the Bonds.

The loan made from the Issuer to the Borrower pursuant to the Financing Agreement will be evidenced by a Deed of Trust Note dated May 27, 2010 (the "Note"), executed by the Borrower in favor of the Administration and assigned to the Trustee, and additionally secured by a first lien Leasehold Deed of Trust, Security Agreement and Assignment of Rents dated as of May 1, 2010 (the "Mortgage"), executed by and among the Borrower, the Administration and the trustees named therein, as assigned to the Trustee.

The Bonds are special obligations of the Issuer, and the principal of and interest thereon will be payable solely from the revenues and other moneys assigned by the Indenture to secure such payment. See "SECURITY AND SOURCES OF PAYMENT ON THE BONDS." Those revenues include the Loan Payments required to be made by the Borrower under the Financing Agreement and the Note. In addition, the Bonds are secured by an Escrow Fund established and maintained, as applicable, pursuant to the Indenture and the Assignment, Escrow and Acknowledgement Agreement dated as of May 1, 2010 (the "Assignment Agreement"), among the Authority, the Trustee and the Borrower and agreed to, accepted, and acknowledged by the Issuer. See "AUTHORITY LOAN AND DISBURSEMENT OF BOND PROCEEDS."

The Borrower will be required to operate the Project in compliance with a Declaration of Restrictive Covenants and Regulatory Agreement (the "Regulatory Agreement") dated as of May 1, 2010, by and between the Borrower and the Issuer. The Regulatory Agreement requires that the Project be operated as a qualified residential rental project with at least 40% of the residential units in the Project occupied by qualified tenants during the qualified project period, in accordance with Section 142(d) of the Code. Failure to comply with these requirements could result in the loss of the federal tax exemption of the Bonds retroactive to their date of issuance. See "TAX MATTERS" and "APPENDIX E - SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT." In addition to the rental restrictions imposed upon the Project by the Regulatory Agreement, the Project will be further encumbered by a low income housing tax credit covenant (the "Tax Credit Covenant"), to be executed by the Borrower in connection with the low-income housing tax credits (the "LIHTCs") anticipated to be granted for the Project and in compliance with the requirements of Section 42 of the Code. See "THE PROJECT AND THE BORROWER."

Brief descriptions of the Issuer, the Project, the Borrower, the use of proceeds of the Bonds and the Bonds together with summaries of the Indenture, the Financing Agreement, the Assignment Agreement and the Regulatory Agreement are provided below. All information with respect to the Borrower and the Project contained in this Official Statement has been furnished by the Borrower. The descriptions and summaries of the Financing Agreement, the Indenture, the Assignment Agreement and the Regulatory Agreement and other documents contained herein do not purport to be comprehensive or definitive and are qualified in their entirety by reference to those documents, and all references to the Bonds are qualified in their entirety by the definitive forms thereof included in the Indenture. See "MISCELLANEOUS" for the availability of those documents.

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 Departmental staff in the use of computer resources.

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

The Administration pays costs and expenses of operating its programs from earnings received from its programs financed by the Indenture 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.

SOURCES AND USES OF FUNDS

The proceeds to be derived from the sale of the Bonds are to be applied, together with other funds delivered by or on behalf of the Borrower, as follows:

Sources of Funds	
Bond Proceeds	$ 6,900,000
Authority Loan Proceeds	7,301,944
Total	$14,201,944
Uses of Funds	
Project Fund	$ 6,900,000
Escrow Fund	6,900,000[1]
Negative Arbitrage Account	124,900
Costs of Issuance Fund	277,044
Total	$14,201,944

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[1]Pursuant to the Assignment Agreement, the Borrower has directed the Authority to advance moneys derived from the Authority Loan to the Trustee for deposit into the Escrow Fund. Each advance will be attributable to and will equal the amount of Bond proceeds to be disbursed from the Project Fund for the payment of Project Costs. See "AUTHORITY LOAN AND DISBURSEMENT OF BOND PROCEEDS" herein.

THE PROJECT AND THE BORROWER

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 Issuer, the Trustee or the Underwriter. Although the information shown below has been obtained from sources believed to be reliable, no representation is made herein by the Issuer, the Trustee or the Underwriter 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 Issuer 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 Project

The Bonds are being issued to provide moneys to be loaned to the Borrower to pay a portion of the cost of construction, equipping and otherwise improving residential rental housing consisting of 60 housing units known as "C.W. Brooks Mid-Rise" located at 45 West Baltimore Street in Hagerstown, Maryland 21740 (the "Project"), to be owned by the Borrower.

In order to maintain the tax-exempt status of interest on the Bonds and to obtain low income housing tax credits (the "LIHTCs"), the Project will be operated as a qualified residential rental project with 100% of the residential units in the Project occupied by qualified tenants during the qualified project period, in accordance with Section 142(d) of the Code. See "APPENDIX E - SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT" herein. Under Section 42 of the Code, however, in order to maximize equity proceeds from the sale of low income housing tax credits, the Borrower is expected to lease all units in the Project to qualified tenants at affordable rents.

In addition to the rental restrictions imposed upon the Project by the Regulatory Agreement, the Project will be further encumbered by a low income housing tax credit covenant (the "Tax Credit Covenant"), to be executed by the Borrower in connection with the LIHTCs anticipated to be granted for the Project and in compliance with the requirements of Section 42 of the Code.

The Tax Credit Covenant will require LIHTC income targeting and rental rate restrictions for the Project under Section 42 of the Code, subject to certain exceptions. The Tax Credit Covenant will, among other things, require that 100% of the units in the Project be occupied by persons or families having incomes at or below 60% of the area median gross income under Section 42(g)(2) of the Code and that all (100%) units in the project be rent-restricted to 30% of 60% of the area median gross income, with adjustment for family size, under Section 42(g)(2) of the Code throughout the extended use period (as defined in the Code). Under Section 42 of the Code, the extended use period terminates prior to its stated expiration date if the Project is acquired by foreclosure. Notwithstanding the foregoing, the Code requires that any termination of the extended use period due to foreclosure will not permit, before the end of the extended use period, (a) the eviction or termination of tenancy of an existing tenant without cause, or (b) any increase in the gross rent of any such units.

Construction of Project

Construction of the Project is expected to commence in June, 2010. The Project is expected to have a Construction Period of approximately 14 months. The Project has a projected lease-up start date of June 2011 and is expected to reach qualified occupancy by December 2011.

The Borrower and Management of the Project

The Project is owned by C.W. Brooks LLC, a Maryland limited liability company (the "Borrower"), which has no assets other than the Project. The Borrower's managing member is Pennrose GP, LLC, a Pennsylvania limited liability company, an affiliate of Pennrose Properties, LLC, a Pennsylvania limited liability company ("Pennrose") with a 0.005% membership interest. The Authority owns a 0.005% membership interest in the Borrower.

Simultaneously with the issuance of the Bonds, the Borrower plans to sell a 99.99% limited membership interest in the Borrower to an investor member (the "Tax Credit Member"). The Tax Credit Member will make an equity contribution of approximately $2,802,000 payable in installments, in exchange for 99.99% of the LIHTCs awarded to the Borrower by the Issuer. The funding level and timing of the funding are subject to numerous adjustments and conditions which could result in the amounts funded and/or timing or occurrence of the funding varying significantly and neither the Issuer nor the Underwriter makes any representation as to the availability of such funds.

The Developer

Pennrose has been engaged to develop the Project. Pennrose has been involved in the development of approximately 10,000 affordable housing rental units since 1970. Pennrose is the largest producer of affordable housing in Pennsylvania and New Jersey.

Revenues Derived from Leasing of the Project

The Revenues from the Project are pledged to pay Bond Payments on the Bonds and the revenues of the Borrower are the sole source of moneys pledged by the Borrower to make Loan Payments. See "CERTAIN BONDHOLDERS' RISKS." Funds on deposit in the Escrow Fund and the Project Fund under the Indenture, including investment earnings thereon, will be available to pay Bond Payments on the Bonds. It is anticipated that the funds on deposit in the Project Fund, and investment earnings thereon, will be used from time to time to pay all or a portion of the Bond Payments on the Bonds. See "AUTHORITY LOAN AND DISBURSEMENT OF BOND PROCEEDS" herein.

THE AUTHORITY

The following information concerning the Authority has been provided by the Authority and has not been independently confirmed or verified by the Issuer, the Trustee or the Underwriter.

The Housing Authority of the City of Hagerstown (the "Authority") is a housing authority created in 1949 pursuant to a resolution of the Mayor and Council of the City of Hagerstown. In 1990, the Authority received a Certificate of Organization form the State of Maryland as a pre-existing housing authority organized under former Sections 1-201(b)(2) and 1-203(d) of Article 44A of Chapter 330 of the Annotated Code of Maryland, which former Sections are now codified at Sections 12-204 and 12-206, Subtitle 2, Title 2 of the Housing and Community Development Article of the Annotated Code of Maryland. Since the date of its creation, the Authority has existed without interruption in the performance of its purposes. The Authority has a general statutory purpose to undertake, construct, maintain or operate housing projects.

The current members of the Authority's Board of Commissioners have been duly appointed by the appointing powers designated in Section 12-302, Subtitle 2, Title 2 of the Housing and Community Development Article of the Annotated Code of Maryland. As provided in Sections 12-301 and 12-205(b)(1) and the Bylaws of the Authority dated September 20, 1998, the five members of the Authority's Board of Commissioners are local citizens appointed by the Mayor of the City of Hagerstown. All members of the Authority's Board of Commissioners are appointed for five-year terms and vacancies due to expired terms are to be filled by the same appointing powers.

The Authority has the authority and power to make the Authority Loan and to execute, deliver and perform its duties and obligations under the Assignment Agreement.

AUTHORITY LOAN AND DISBURSEMENT OF BOND PROCEEDS

The Borrower is constructing and equipping the Project with funds in the approximate amount of $10,583,155 loaned to it by the Authority (the "Authority Loan") simultaneously with the issuance of the Bonds and with funds available from the proceeds from the sale of the Bonds. A portion of the Authority Loan in the amount of $124,900 will be deposited in the Negative Arbitrage Account of the Project Fund for the payment of Bond Payments and a portion of the Authority Loan in the amount of $277,044 will be deposited in the Costs of Issuance Fund for payment of the costs of issuance of the Bonds on the Closing

Date. A portion of the Authority Loan in the amount of $6,900,000, derived from Capital Fund Recovery Competitive Grant Funds (the "CFRC Funds") awarded to the Authority and other Capital Fund grant funds of the Authority, will be deposited into the Escrow Fund as security for the Bonds in accordance with the Assignment Agreement and the Indenture.

Pursuant to the Assignment Agreement and agreements between the Authority and the Borrower, the Authority has directed the Trustee to deposit all advances made by the Authority pursuant to the Assignment Agreement into the Escrow Fund established and maintained pursuant to the Indenture. Bond Payments shall be payable as they become due, (i) in the first instance from the moneys on deposit in the Interest Payment Account and Principal Payment Account of the Bond Fund, (ii) next from moneys on deposit in the Project Fund and transferred as necessary to the Bond Fund, and (iii) thereafter, from moneys on deposit in the Escrow Fund and transferred as necessary to the Bond Fund. **The Indenture provides that the amount of funds disbursed from the Project Fund to the Borrower for payment of Project Costs shall be equal to the advance of Authority Loan Proceeds deposited to the Escrow Fund. Accordingly, the aggregate amount in the Escrow Fund and the Project Fund shall at all times equal 100% of the principal amount of the Bonds outstanding.**

Investment of moneys in the Bond Fund will mature or be redeemable at the option of the Trustee at the times and in the amounts necessary to provide moneys to pay Bond Payments on the Bonds on each Bond Payment Date. Investment of moneys in the Project Fund and the Escrow Fund will mature or be redeemable at the option of the Trustee at the times and in the amounts necessary to provide moneys to be transferred on each Loan Payment Date to the Bond Fund in accordance with the Indenture in order to pay Bond Payments on the Bonds. All investment earnings on the Project Fund and the Escrow Fund will be transferred to the Interest Payment Account of the Bond Fund on each Loan Payment Date in order to pay interest due on each Interest Payment Date. See "APPENDIX C - SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Application of Loan Payments and —Investment of Funds."

The amounts on deposit in the Project Fund and the Escrow Fund will be invested on the Closing Date in an Investment Agreement (as defined below) by and between the Trustee and the Investment Agreement Provider (as defined below). See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS." The amount by which the aggregate interest payments on the Bonds exceeds the expected investment earnings on the Investment Agreement is required, pursuant to the Indenture and the Assignment Agreement, to be deposited on the Closing Date to the Escrow Fund from Authority Loan Proceeds for immediate transfer pursuant to the Indenture to the Negative Arbitrage Account of the Project Fund.

THE BONDS

General

The Bonds will be dated, will be payable in the amounts and on the dates, will bear interest (computed on the basis of a 360 day year) at the rates, and will mature as described on the inside cover page. Interest on the Bonds is payable on December 1 and June 1 of each year, commencing December 1, 2010. The Bonds will be issued as fully registered bonds in book entry form and book entry interests in the Bonds will be available for purchase in principal amounts of $5,000 or any integral multiple thereof.

The Trustee, in its capacity as Registrar, will keep all books and records necessary for registration, exchange and transfer of the Bonds.

Discussion of the Bonds being issued only under the Book Entry System is provided below. Details regarding the procedures for and manner of payment, issuance, exchange and transfer of the Bonds if ever issued in certificated form as provided in the Bond proceedings are also stated below.

Book Entry System

The Bonds will be available in book-entry form only. Purchasers of the Bonds will not receive certificates from the Issuer or the Trustee representing their interests in the Bonds purchased. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for 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, each 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. See "APPENDIX G – BOOK ENTRY SYSTEM."

Redemption of Bonds

Optional Redemption. The Bonds are subject to redemption, at the option of the Administration, as a result of prepayment of the Note by the Borrower, in whole but not in part, at any time on and after June 1, 2011, at a redemption price equal to the principal amount thereof to be redeemed, plus accrued interest thereon to the date of redemption.

The redemption of the Bonds at the option of the Administration as a result of prepayment of the Note by the Borrower shall be subject to the following conditions under the Note: (a) at the time of prepayment, there shall exist no event of default as described in the Note; (b) the prepayment shall be made on the first day of any calendar month, upon not less than 30 days nor more than 90 days prior written notice to the Administration, specifying the date on which prepayment is to be made and the amount which is to be prepaid, it being intended that any such notice shall be irrevocable and any prepayment provided for in any such notice shall be deemed due and payable on the date set forth in such notice; and (c) prior to any such prepayment, the Project must be placed in service pursuant to Section 42 of the Code and the Borrower must have fully drawn and spent the proceeds of the Loan.

Notice of Redemption. The Trustee shall mail notice of redemption, by first-class mail not less than 20 days and not more than 30 days prior to the redemption date. Each notice shall be given to (i) the respective holders of any Bonds designated for redemption at their addresses appearing on the bond registration books of the Trustee and (ii) the Rating Agency. The Trustee shall cause a second notice of redemption to be sent by first class mail, postage prepaid, on or within 10 days after the thirtieth day after the redemption date to any holder who has not submitted its Bond to the Trustee for payment.

Content of Notice. Each notice of redemption must state: (i) the date of the redemption notice; (ii) the complete official name of the Bonds, including the series designation; (iii) the CUSIP numbers of all Bonds being redeemed; (iv) the place or places where the Bonds to be redeemed must be surrendered for payment and where amounts due upon such redemption will be payable upon surrender of the Bonds to be redeemed; (v) the redemption date and redemption price of each Bond to be redeemed; (vi) the name, address, telephone number and contact person at the office of the Trustee with respect to such redemption; (vii) that interest on all Bonds to be redeemed will not accrue from and after the redemption date; and (viii) the conditions, if any, upon which such notice may be rescinded.

Validity of Proceedings for the Redemption of Bonds. If notice is given as provided for in the Indenture and as described in this section, failure of any Holder to receive such notice, or any defect in the notice, shall not affect the redemption or the validity of the proceedings for the redemption of the Bonds.

Purchase of Bonds in Lieu of Redemption

If the Bonds are called for redemption, the Bonds called for redemption may be purchased in lieu of redemption in accordance with the following provisions.

Purchase in Lieu of Redemption. Purchase in lieu of redemption shall be available for all of the Bonds called for redemption or for such lesser portion of such Bonds as constitute Authorized Denominations. The Administration, at the direction of the Borrower, may direct the Trustee to purchase all or such lesser portion of the Bonds, for the account of the Borrower or its designee, so called for redemption. Any such direction to the Trustee must:

(i) be in writing;

(ii) state either that all of the bonds called for redemption are to be purchased or, if less than all of the bonds called for redemption are to be purchased, identify those bonds to be purchased by maturity date and outstanding principal amount in Authorized Denominations; and

(iii) be received by the Trustee no later than 12:00 p.m. one Business Day prior to the redemption date.

If so directed, the Trustee shall purchase such Bonds on the date which otherwise would be the redemption date. Any of the Bonds called for redemption that are not purchased in lieu of redemption shall be redeemed as otherwise required by the Indenture on the redemption date. Any of the Bonds purchased in lieu of redemption as provided in the Indenture and as described herein shall not be reoffered without the prior written consent of the Administration.

Withdrawal of Direction To Purchase. On or prior to the scheduled redemption date, any direction to purchase in lieu of redemption given to the Trustee pursuant to the Indenture may be withdrawn by written notice to the Trustee. Subject generally to the Indenture, should a direction to purchase be withdrawn, the scheduled redemption of such Bonds shall occur.

Purchase Price. The purchase price of the Bonds shall be equal to the outstanding principal of and accrued and unpaid interest on the Bonds on the date which otherwise would have been payable on the redemption date. To pay the purchase price of such Bonds, the Trustee shall use such funds that the Trustee would have used to pay the outstanding principal of and accrued and unpaid interest on the redemption of such Bonds on the redemption date.

No Notice to Holders. No notice of the purchase in lieu of redemption shall be required to be given to the Holders (other than the notice of redemption otherwise required under the Indenture).

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

To the extent provided in and except as otherwise permitted by the Indenture, (i) the Bonds will be special obligations of the Issuer and the Bond Payments thereon shall be payable equally and ratably solely from the Issuer Revenues, (ii) the payment of Bond Payments on the Bonds shall be secured by the assignment of Issuer Revenues under and by the Indenture, and (iii) payments due on the Bonds also shall be secured by the Note and the Mortgage. Issuer Revenues include the Loan Payments, all other moneys received or to be received by the Issuer or the Trustee in respect of repayment of the Loan, including without limitation, all moneys and investments in the Bond Fund, any moneys and investments in or allocated to the Project Fund and the Escrow Fund, and all income and profit from the investment of the foregoing moneys. The term "Issuer Revenues" does not include any moneys or investments in the Rebate Fund. It is expected that there will be no fees of the Issuer, the Authority or the Trustee payable from the Issuer Revenues.

Pursuant to the Assignment Agreement, the Borrower irrevocably directs the Authority, and the Authority irrevocably agrees, to deposit advances made under the Authority Funding Documents, in an amount not to exceed the amount of the portion of the Authority Loan derived from the CFRC Funds and attributable to disbursements from the Project Fund, directly to the Trustee for deposit into the Escrow Fund in accordance with the Assignment Agreement and the Indenture. Amounts delivered to the Trustee by the Authority pursuant to the Assignment Agreement are irrevocably pledged to the Trustee by the Borrower for the benefit of the Bondholders for the payment of Bond Payments when due.

The proceeds of the Bonds on deposit in the Project Fund will be used exclusively to pay costs that (a) are (i) capital expenditures (as defined in Section 1.150-1(a) of the Code's regulations) and (ii) not made for the acquisition of existing property, to the extent prohibited in Section 147(d) of the Code, and (b) are made exclusively with respect to a "qualified residential rental project" within the meaning of Section 142(d) of the Code and that for the greatest number of buildings the proceeds of the Bonds shall be deemed allocated on a pro rata basis to each building in the Project and the land on which it is located so that each building and the land on which it is located will have been financed 50% or more by the proceeds of the Bonds for the purpose of complying with Section 42(h)(4)(B) of the Code; provided, however, the foregoing representation, covenant and warranty is made for the benefit of the Borrower and its partners and neither the Trustee nor the Issuer shall have any obligation to enforce this covenant nor shall they incur any liability to any person, including without limitation, the Borrower, the members of the Borrower, any other affiliate of the Borrower or the holders of the Bonds for any failure to meet the intent expressed in the foregoing representation, covenant and warranty; and provided further, failure to comply with this representation, covenant and warranty shall not constitute a default or Event of Default under the Indenture.

The amounts on deposit in the Bond Fund will be invested in Eligible Investments. The amounts on deposit in the Project Fund (including the Negative Arbitrage Account therein) and the Escrow Fund will be invested on the Closing Date in the Investment Repurchase Agreement dated as of May 27, 2010 (the "Investment Agreement") by and among the Trustee, Bayerische Landesbank (the "Investment Agreement Provider") and Wells Fargo Bank, National Association, as custodian, at a rate of 0.47%. See "APPENDIX C - SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Investment of Funds." The Investment Agreement Provider will be required to make payments only in accordance with the provisions of the Investment Agreement and will not directly or indirectly guarantee any payment with respect to the Bonds. The Investment Agreement Provider has been assigned a debt rating of "A-1"/"P-1" by Moody's. A downgrade of the debt rating of the Investment Agreement Provider below the minimum required debt rating of "A-1"/"P-1" by Moody's (or a comparable rating of any other Rating Agency) to maintain the rating on the Bonds may result in a downgrade of the rating of the Bonds. The Investment Agreement Provider was selected pursuant to a competitive solicitation process conducted on behalf of the Issuer. The Financial Advisor will receive compensation from the Investment Agreement Provider in connection with the solicitation of bids and the negotiation of investment of amounts on deposit in the Project Fund and the Escrow Fund. The Issuer and the Underwriter have made no investigation of the financial condition of the Investment Agreement Provider and make no representation as to the ability of the Investment Agreement Provider to make required payments under the Investment Agreement.

The Bonds are special obligations of the Administration, payable solely from the revenues and other moneys pledged therefor under the Indenture. 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.

CERTAIN BONDHOLDERS' RISKS

The following is a summary of certain risks associated with a purchase of the Bonds. There are other possible risks not discussed below. The Bonds are payable from the payments to be made by the Borrower under the Financing Agreement and the Note and from amounts on deposit in the Special Funds and the Escrow Fund.

General

No representation or assurance can be made that revenues from the Project will be sufficient to permit the Borrower to make the payments required under the Financing Agreement and the Note or other payments necessary to meet the obligations of the Borrower. The Project is subject to risks associated with real estate developments generally. **However, the Indenture requires the Trustee to verify, before any disbursement of funds from the Project Fund, that the sum of the funds on deposit in the Project Fund and the Escrow Fund is at least equal to the then outstanding principal amount of the Bonds.**

No Borrower Liability; Reliance on Investment of Special Funds and Escrow Fund to Pay Bond Payments

The Borrower has not been nor will it be (subject to certain exceptions to non-recourse liability) personally liable for payments on the Loan, nor will the Borrower be (subject to certain exceptions to non-recourse liability set forth in the Mortgage and subject to certain exceptions to non-recourse liability set forth in the Financing Agreement with respect to the Issuer and the payment of the rebate amount) personally liable under the other documents executed in connection with the Bonds and the making of such Loan. Investors should look exclusively to amounts on deposit in the Special Funds and Escrow Fund and investment earnings on each as the source of payment of Bond Payments.

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

THE BONDS ARE NOT SUBJECT TO IMMEDIATE ACCELERATION OR REDEMPTION, AND THE RATE OF INTEREST ON THE BONDS IS NOT SUBJECT TO RETROACTIVE 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 Issuer or Borrower (or any subsequent owner of the Project) does not comply with the provisions of the Financing Agreement and the Regulatory Agreement, which are designed, if complied with, to satisfy the continuing compliance requirements the Internal Revenue Code of 1986, as amended (the "Code"), in order for the interest on the Bonds to be excludable from gross income for purposes of federal income tax. Under such circumstances, interest on the Bonds might become subject to federal income taxation retroactive to the date of issuance or some other subsequent date.

Secondary Markets and Prices

No representation is made concerning the existence of any secondary market for the Bonds. The Underwriter will not be obligated to repurchase any of the Bonds, nor can any assurance be given that any secondary market will develop following the completion of the offering of the Bonds. Further, there can be no assurance that the initial offering prices for the Bonds will continue for any period of time. Furthermore, the Bonds should be purchased for their projected returns only and not for any resale potential, which may or may not exist.

LITIGATION

The Issuer

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 Issuer, threatened against the Issuer 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 Issuer's obligations under the Bond Documents.

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 construction and equipping of the Project or the transactions contemplated by or under the Bond Documents or that would have a material adverse effect on the operations or financial position of the Borrower.

UNDERWRITING

The Bonds are being purchased on a negotiated basis by RBC Capital Markets Corporation (the "Underwriter"). The Underwriter has agreed to purchase the Bonds at a price equal to the principal amount thereof. The Underwriter will receive a fee of $57,443.80 relating to its purchase of the Bonds. The Bond Purchase Agreement provides that the Underwriter will purchase all but not less than all of the Bonds. The Underwriter's 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 Bonds may be changed, from time to time, by the Underwriter. The Underwriter may offer and sell any of the Bonds to certain dealers (including dealers depositing such 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.

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. See "Miscellaneous" below for a discussion of certain litigation that may relate to this Maryland tax exemption.

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.

2008 Housing Legislation and Administration Program Requirements

The Housing and Economic Recovery Act of 2008 (the "2008 Housing Act") amends various provisions of the 1986 Code pertaining to housing bonds. The 2008 Housing Act is generally effective for bonds issued after the date the President approved the 2008 Housing Act (July 30, 2008, the "Date of Enactment").

The 2008 Housing Act provides that housing bonds issued after the Date of Enactment are exempt from alternative minimum tax ("AMT"), provided they do not refund outstanding bonds issued prior to the Date of Enactment. The AMT exemption under the 2008 Housing Act applies both to the AMT provisions relating to "tax preference items" and also to the provisions imposing AMT on 75% of the amount by which the "adjusted current earnings" of a corporate taxpayer exceeds its alternative minimum taxable income. The exemption from corporate AMT is unique to the new exemption as distinguished from the pre-existing exemption applicable to bonds issued to refund, directly or indirectly, prior bonds issued before 1986.

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 will 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 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.

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.

LEGAL MATTERS

Certain legal matters relating to the authorization and validity of the Bonds will be subject to the approving opinion of Kutak Rock LLP, as Bond Counsel, which will be furnished at the expense of the Borrower upon delivery of the Bonds (the "Bond Opinion"). The Bond Opinion 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 or any other source of payment of the Bonds, and the Bond Opinion will make no statement as to such matters.

In rendering its approving opinion, Bond Counsel will rely on certifications and representations of fact to be contained in the transcript of proceedings which Bond Counsel will not have independently verified. 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 the Underwriter by its counsel, Hawkins Delafield & Wood LLP, Washington, D.C., for the Authority by Klein Hornig, LLP, and for the Borrower by Greenberg Traurig, LLP, Philadelphia, Pennsylvania.

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.

RATING

Moody's has assigned a rating of "MIG1" to the Bonds. An explanation of the significance of such rating may be obtained from Moody's. The rating of the Bonds reflect only the views of Moody's at the time such rating was given, and neither the Issuer, the Borrower nor the Underwriter makes any representation as to the appropriateness of the rating. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by Moody's, if in its judgment, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

FINANCIAL ADVISOR

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

CONTINUING DISCLOSURE

The Borrower will enter into a Continuing Disclosure Agreement dated as of May 1, 2010 (the "Continuing Disclosure Agreement") with the Trustee, acting as the Dissemination Agent, obligating the Borrower to send, or cause to be sent, certain financial information with respect to the Project to certain information repositories annually and to provide notice, or cause notice to be provided, to the Municipal Securities Rulemaking Board and a state information repository, if any, of certain enumerated events for the benefit of the Beneficial Owners and Holders of any of the Bonds, in order to allow the Underwriter to meet the requirements of Section (b)(5)(i) of Securities Exchange Commission Rule 15c2-12 (the "Rule").

A failure by the Borrower to comply with the provisions of the Disclosure Agreement will not constitute a default under the Indenture or the Financing Agreement (although Holders will have any available remedy at law or in equity for obtaining necessary disclosures). 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 and liquidity of the Bonds.

Neither the Borrower, nor its members, nor any entity affiliated with either the Borrower nor the members has defaulted in connection with its or their continuing disclosure undertakings or obligations in connection with any issuance of bonds subject to the Rule. See "APPENDIX F – FORM OF CONTINUING DISCLOSURE AGREEMENT" herein.

MISCELLANEOUS

Brief descriptions of the Issuer, the sources of payment for the Bonds, the Bonds, the Project and the Borrower and a general summary of the Indenture, the Financing Agreement, the Regulatory Agreement and the Assignment Agreement are included in this Official Statement. All references herein to the Indenture, the Financing Agreement, the Regulatory Agreement , the Assignment Agreement, the Investment 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 Indenture, copies of which are available for inspection at the designated corporate trust 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 Issuer, or the Borrower and the purchasers or owners of the Bonds.

The Issuer has not provided or approved any information in this Official Statement under the captions “SOURCES AND USES OF FUNDS,” “THE PROJECT AND THE BORROWER,” “THE AUTHORITY,” “AUTHORITY LOAN AND DISBURSEMENT OF BOND PROCEEDS,” “LITIGATION–The Borrower,” “TAX MATTERS,” “APPENDIX A–DEFINITIONS OF CERTAIN TERMS,” “APPENDIX B–FORM OF BOND COUNSEL OPINION,” “APPENDIX C–SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE,” “APPENDIX D–SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AGREEMENT,” “APPENDIX E–SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT,” “APPENDIX F–FORM OF CONTINUING DISCLOSURE AGREEMENT” and “APPENDIX G–BOOK ENTRY SYSTEM” and has not prepared or participated in the preparation of any portion of the information in this Official Statement under such headings.

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

COMMUNITY DEVELOPMENT ADMINISTRATION

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

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

C.W. BROOKS LLC, a Maryland limited liability company

By: Pennrose GP, LLC, its managing member

By: /s/Mark H. Dambly
Mark H. Dambly
President

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APPENDIX A

DEFINITIONS OF CERTAIN TERMS

"Act" means Sections 4-101 through 4-255 of the Housing and Community Development Article of the Annotated Code of Maryland, as amended.

"Additional Payments" means the amounts required to be paid by the Borrower with respect to fees and expenses of the Issuer and the Trustee related to the Bonds and the Loan pursuant to the provisions of the Financing Agreement.

"Area Median Gross Income" 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 the determination of AMGI be less than such determination of AMGI for the preceding calendar year.

"Assignment Agreement" means the Assignment, Escrow and Acknowledgement Agreement dated of even date with the Indenture among the Trustee, the Authority and the Borrower as agreed to, accepted and acknowledged by the Administration.

"Authenticating Agent" means the Trustee and the Registrar for the Bonds and any bank, trust company or other Person designated as an Authenticating Agent for the Bonds by or in accordance with the Indenture, each of which will be a transfer agent registered in accordance with Section 17A(c) of the Securities Exchange Act of 1934 as amended.

"Authority" means the Housing Authority of the City of Hagerstown, a body corporate and politic organized and existing under the laws of the State of Maryland.

"Authority Funding Documents" means agreements between the Borrower and the Authority relating to funding of the Authority Loan.

"Authority Loan" means a loan from the Authority to the Borrower to finance a portion of the costs of the construction and equipping of the Project.

"Authorized Authority Representative" means the Chair, Vice Chair and Executive Director of the Authority or any other person or persons duly authorized and designated by the Authority, in writing, to perform such act or discharge such duty, or otherwise act on its behalf.

"Authorized Borrower Representative" means Mark H. Dambly, President, or any other person or persons duly authorized and designated by the Borrower, in writing, to perform such act or discharge such duty, or otherwise act on its behalf.

"Authorized Denomination" means $5,000, or any integral multiple in excess thereof.

"Bond Fund" means the Bond Fund created in the Indenture.

"Bond Payment Date" means each Interest Payment Date and any other date Bond Payments on the Bonds are due, whether at maturity, upon acceleration or otherwise.

"Bond Payments" means, for any period or payable at any time, the principal of and interest on the Bonds for that period or payable at that time whether due at maturity or upon acceleration.

"Bond Purchase Agreement" means the Bond Purchase Agreement, dated May 12, 2010, among the Issuer, the Borrower and the Underwriter.

"Bonds" means the $6,900,000 Multifamily Development Revenue Bonds (C.W. Brooks Mid-Rise) Series 2010 A of the Issuer authorized by the Act and the Indenture.

"Book Entry System" means, with respect to the Bonds, a form or system, as applicable, under which (i) physical Bond certificates in fully registered form are issued only to a Depository or its nominee, with the physical Bond certificates "immobilized" in the custody of the Depository and (ii) the ownership of book entry interests in Bonds and Bond Payments thereon may be transferred only through a book entry made by others than the Issuer or the Trustee. The records maintained by others than the Issuer or the Trustee constitute the written record that identifies the owners, and records the transfer, of book entry interests in those Bonds and Bond Payments thereon.

"Borrower" means C.W. Brooks LLC, a limited liability company duly formed and validly existing under the laws of the State, and its lawful successors and assigns to the extent permitted by the Financing Agreement.

"Business Day" means a day of the week, other than a Saturday or a Sunday, on which commercial banks located in the city in which the designated corporate trust office of the Trustee are not required or authorized to remain closed.

"Closing Date" means May 27, 2010.

"Code" means the Internal Revenue Code of 1986, as amended, and all applicable regulations (whether proposed, temporary or final) under that Code and the statutory predecessor of that Code, and any official rulings and judicial determinations under the foregoing applicable to the Bonds.

"Completion Date" means approximately August 1, 2011, subject to extension as provided in the Financing Agreement.

"Construction Period" means the period between the beginning of the construction, rehabilitation, remodeling, improvement and equipping of the Project and the Completion Date.

"Department" means the Department of Housing and Community Development, a principal department of the State of Maryland.

"Depository" means, with respect to the Bonds, DTC, until a successor Depository will have become such pursuant to the applicable provisions of the Indenture, and thereafter, Depository will mean the successor Depository. Any Depository will be a securities depository that is a clearing agency under a federal law operating and maintaining, with its participants or otherwise, a Book Entry System to record ownership of book entry interests in Bonds or Bond Payments thereon, and to effect transfers of book entry interest in Bonds.

"DTC" means The Depository Trust Company (a limited purpose trust company), New York, New York, and its successors or assigns.

"DTC Participant" means any participant contracting with DTC under its book entry system and includes securities brokers and dealers, banks and trust companies and clearing corporations.

"Eligible Investments" means any of the following investments which at the time are legal investments for moneys of the Administration which are then proposed to be invested therein:

(a) Federal Obligations;

(b) Bonds, debentures, notes or other evidences of indebtedness issued by any federal agency, instrumentality or public corporation the obligations of which represent or are guaranteed by the full faith and credit of the United States of America, including (without limitation): Farmers Home Administration, General Services Administration, U.S. Maritime Administration, Small Business Administration, Government National Mortgage Association, U.S. Department of Housing & Urban Development and the Washington, Metropolitan Transit Authority; provided such investments are rated in the highest rating category of the Rating Agency rating the Bonds;

(c) Bonds, notes or other evidences of indebtedness issued by the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Resolution Funding Corporation (REFCORP), Federal Farm Bank Credits, Farmer Mac (Farm Credit System Financial Assistance Corp.), Tennessee Valley Authority or any similar entity, which, at the time of purchase, are rated in the highest rating category of the Rating Agency rating the Bonds;

(d) Investments in a money market fund, which, at the time of purchase, are rated in the highest rating category of the Rating Agency rating the Bonds (including any proprietary money market fund of the Trustee or any affiliate of the Trustee for which the Trustee or an affiliate of the Trustee serves as investment advisor or provides other services to such fund and receives reasonable compensation therefor);

(e) the Investment Agreement and any other investment agreement with any financial institution or other entity with a long term debt rating of "A1" and a short term debt rating of "P1," provided that, if the institution or other entity has no short term debt rating, then the institution or other entity shall have a long term debt rating of "Aa3," or in each instance, the comparable rating(s) of any other Rating Agency; and

(f) Stripped securities: principal-only strips and interest-only strips of noncallable obligations issued by the U.S. Treasury, and REFCORP securities stripped by the Federal Reserve Bank of New York.

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

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

"Escrow Fund" means the Escrow Fund established pursuant the Indenture.

"Event of Default" means an Event of Default under the respective document in which such term is used.

"Extraordinary Services" and "Extraordinary Expenses" mean all services rendered and all reasonable expenses properly incurred by the Trustee under the Indenture, other than Ordinary Services and Ordinary Expenses. Extraordinary Services and Extraordinary Expenses shall specifically include services rendered or expenses incurred by the Trustee in connection with, or in contemplation of, an Event of Default.

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

"Financing Agreement" means the Financing Agreement dated as of even date with the Indenture, between the Issuer and the Borrower, and assigned by the Issuer, except for the Unassigned Issuer Rights, to the Trustee, as amended or supplemented from time to time.

"Government" means the government of the United States of America, the government of any other nation, any political subdivision of the United States of America or any other nation (including, without limitation, any state, territory, federal district, municipality or possession) and any department, agency or instrumentality thereof; and "Governmental" means of, by, or pertaining to any Government.

"Holder" or "Holder of a Bond" means the Person in whose name a Bond is registered on the Register.

"Indenture" means the Trust Indenture, dated as of May 1, 2010, between the Issuer and the Trustee, as amended or supplemented from time to time.

"Independent" when used with respect to a specified Person means such Person has no specific financial interest direct or indirect in the Borrower or any affiliate of the Borrower and in the case of an individual is not a director, trustee, officer, partner or employee of the Borrower or any affiliate of the Borrower and in the case of an entity, does not have a partner, director, trustee, officer, partner or employee who is a director, trustee, officer or employee of any member of the Borrower or any affiliate of the Borrower.

"Interest Payment Date" or "Interest Payment Dates" means each December 1 and June 1, commencing December 1, 2010 and the Maturity Date.

"Investment Agreement" means the Investment Repurchase Agreement, dated as of May 27, 2010, by and among the Trustee, the Investment Agreement Provider and Wells Fargo Bank, National Association, as custodian.

"Investment Agreement Provider" means Bayerische Landesbank, a bank organized and existing under the laws of the Federal Republic of Germany and the Free State of Bavaria, acting through its New York Branch.

"Issuer" or "Administration" means the Community Development Administration, a unit of the Division of Development Finance of the Department, together with its permitted successors and assigns.

"Issuer Revenues" means (a) the Loan Payments, (b) all other moneys received or to be received by the Issuer or the Trustee in respect of repayment of the Loan, including without limitation, all moneys and investments in the Bond Fund, (c) any moneys and investments in or allocated to the Project Fund and the Escrow Fund, and (d) all income and profit from the investment of the foregoing moneys. The term "Issuer Revenues" does not include any moneys or investments in the Rebate Fund.

"Lien" means any mortgage, deed of trust, lien, charge, security interest or encumbrance of any kind upon, or pledge of, any property, whether now owned or hereafter acquired, and includes the acquisition of, or agreement to acquire, any property subject to any conditional sale agreement or other title retention agreement, including a lease on terms tantamount thereto or on terms otherwise substantially equivalent to a purchase.

"Loan" means the loan by the Issuer to the Borrower of the proceeds received from the sale of the Bonds.

"Loan Documents" means the Financing Agreement, the Note, the Mortgage, the Regulatory Agreement and any other instrument or agreement evidencing or securing the Loan, including any certificate or other document executed and delivered in connection with the Loan.

"Loan Payment Date" means the fifth Business Day preceding each Bond Payment Date.

"Loan Payments" means the amounts required to be paid by the Borrower in repayment of the Loan pursuant to the provisions of the Note and the Financing Agreement.

"Maturity Date" means June 1, 2012.

"Moody's" means Moody's Investors Service, Inc., and is successors and assigns.

"Mortgage" means the Leasehold Deed of Trust, Security Agreement and Assignment of Rents dated as of the Closing Date, given by the Borrower to the trustees named therein for the benefit of the Issuer, as amended or supplemented from time to time.

"Note" means the Deed of Trust Note of the Borrower, dated as of even date with the Bonds, initially issued in the principal amount of $6,900,000, evidencing the obligation of the Borrower to make Loan Payments.

"Opinion of Bond Counsel" means an opinion of Kutak Rock LLP or of other counsel nationally recognized as having an expertise in connection with the exclusion of interest on obligations of states and local governmental units from the gross income of holders thereof for federal income tax purposes.

"Ordinary Services" and "Ordinary Expenses" mean those services normally rendered, and those expenses normally incurred, by a trustee under instruments similar to the Indenture.

"Outstanding Bonds", "Bonds outstanding" or "outstanding" as applied to Bonds mean, as of the applicable date, all Bonds which have been authenticated and delivered, or which are being delivered by the Trustee under the Indenture, except:

(a) Bonds canceled upon surrender, exchange or transfer, or canceled because of payment on or prior to that date;

(b) Bonds, or the portion thereof, for the payment or purchase for cancellation of which sufficient money has been deposited and credited with the Trustee or any Paying Agents on or prior to that date for that purpose (whether upon or prior to the maturity of those Bonds);

(c) Bonds, or the portion thereof, which are deemed to have been paid and discharged or caused to have been paid and discharged pursuant to the provisions of the Indenture; and

(d) Bonds in lieu of which others have been authenticated under the Indenture.

"Paying Agent" means any bank or trust company designated as a Paying Agent by or in accordance with the Indenture.

"Person" or words importing persons mean firms, associations, partnerships (including without limitation, general and limited partnerships), limited liability companies, joint ventures, societies, estates, trusts, corporations, public or governmental bodies, other legal entities and natural persons.

"Plans and Specifications" means the plans and specifications describing the Project as now prepared and as they may be changed as provided in the Indenture from time to time.

"Project" means the construction and equipping of a 60-unit multifamily rental housing development located in Hagerstown, Maryland and known as C.W. Brooks Mid-Rise.

"Project Costs" means with respect to the Project, the costs chargeable to the Project in accordance with generally accepted accounting principles, including, but not limited to, the costs of construction, rehabilitation, reconstruction, restoration, repair, alteration, improvement and extension (in any of such events, "construction") of any building, structure, facility or other improvement; stored materials for work in progress; the cost of machinery and equipment; the cost of the land comprising the Project, rights-in-lands, easements, privileges, agreements, franchises, utility extensions, disposal facilities, access roads and site development necessary or useful and convenient for the Project; financing costs, including, but not limited to, the costs of issuance, engineering and inspection costs; fees paid to the developer of the Project; organization, administrative, insurance, legal, operating, letter of credit and other expenses of the Borrower actually incurred prior to and during construction; and all such other expenses as may be necessary or incidental to the financing, construction or completion of the Project or any part of it, including, but not limited to, the amount of interest expense incurred with respect to the Loan incurred prior to the Completion Date; insurance premiums payable by the Borrower and taxes and other governmental charges levied on the Project.

"Project Fund" means the Project Fund created in the Indenture.

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

"Rebate Fund" means the Rebate Fund created in the Indenture.

"Register" means the books kept and maintained by the Registrar for registration and transfer of Bonds pursuant to the Indenture.

"Registrar" means the Trustee, until a successor Registrar will have become such pursuant to applicable provisions of the Indenture; each Registrar will be a transfer agent registered in accordance with Section 17A(c) of the Securities Exchange Act of 1934.

“Regulatory Agreement” means the Declaration of Restrictive Covenants and Regulatory Agreement, dated as of even date with the Indenture, between the Issuer and the Borrower.

“Section 8” means Section 8 of the United States Housing Act of 1937, as amended.

“Special Funds” means, collectively, the Bond Fund and the Project Fund and any accounts therein, all as created in the Indenture.

“State” means the State of Maryland.

“Supplemental Indenture” means any indenture supplemental to the Indenture entered into between the Issuer and the Trustee in accordance with the Indenture.

“Trustee” means Manufacturers and Traders Trust Company, a New York banking corporation with trust powers and having a corporate trust office in Baltimore, Maryland, until a successor Trustee has become such pursuant to the applicable provisions of the Indenture, and thereafter, “Trustee” will mean the successor Trustee.

“Unassigned Issuer’s Rights” means all of the rights of the Issuer to receive Additional Payments, to be held harmless and indemnified under the Financing Agreement, to be an insured under the Financing Agreement, to be reimbursed for attorney’s fees and expenses under the Financing Agreement, to receive notices under the Indenture and the Loan Documents and to give or withhold consent to amendments, changes, modifications, alterations and termination of the Indenture, the Financing Agreement or any other Loan Document, as applicable.

“Underwriter” means RBC Capital Markets Corporation.

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APPENDIX B

FORM OF BOND COUNSEL OPINION

[CLOSING DATE]

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

$6,900,000
COMMUNITY DEVELOPMENT ADMINISTRATION
MARYLAND DEPARTMENT OF HOUSING AND
COMMUNITY DEVELOPMENT
Multifamily Development Revenue Bonds
(C.W. Brooks Mid-Rise)
Series 2010 A

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 $6,900,000 aggregate principal amount of its Multifamily Development Revenue Bonds (C.W. Brooks Mid-Rise) Series 2010 A (the "Bonds").

The Bonds are being issued under and pursuant to Sections 4-101 through 4-255 of the Housing and Community Development Article of the Annotated Code of Maryland, as amended (previously Sections 2-201 through 2-208 of Article 83B of the Annotated Code of Maryland) (the "Act") and in accordance with the terms and provisions of a Trust Indenture dated as of May 1, 2010 (the "Indenture"), by and between the Administration and Manufacturers and Traders Trust Company, as trustee. The Director of the Administration determined, pursuant to Section 4-245(a) of the Act, that the issuance of the 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 Indenture or the Act.

Applicable Federal tax law establishes certain requirements which must be met subsequent to the delivery of the Bonds in order to assure that interest on the Bonds will be and will remain excludable from gross income for Federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). The Administration has covenanted in the Indenture to at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest on the Bonds will be and will remain excludable from gross income for Federal income tax purposes. The Administration has also delivered a certificate dated the date of this opinion containing representations, provisions, and procedures relating to compliance with the requirements of the Code. Noncompliance by the Administration or the Borrower with such provisions and procedures may require the inclusion of interest on the Bonds in gross income for Federal income tax purposes retroactive to the date of issuance, regardless of when such noncompliance occurs or is discovered. In rendering this opinion, we have assumed compliance by the Administration with the aforementioned covenant and representations, provisions, and procedures set forth in the aforementioned certificate.

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 issue the Bonds to provide funds to finance the construction and rehabilitation of the Project and to perform its obligations under the terms and conditions of the Indenture.

(2) The Indenture has been duly authorized, executed and delivered by the Administration and, assuming due authorization, execution and delivery by the Trustee, constitutes the valid and legally binding limited obligation of the Administration enforceable against the Administration in accordance with its terms.

(3) The Bonds are valid and legally binding special obligations of the Administration, payable solely from the Trust Estate pledged therefor under the Indenture. The Indenture creates the valid pledge of and the valid lien which it purports to create upon the Trust Estate, subject only to the provisions of the Indenture permitting the use and payment thereof for or to the purposes and on the terms and conditions set forth in the Indenture.

(4) Under existing law, interest on the 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 Bond for any period during which such 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. Furthermore, interest on the 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 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 Bonds and the Indenture 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).

The accrual or receipt of interest on the Bonds may otherwise affect a bond owner's income tax liability. The nature and extent of these other tax consequences will depend upon the bondowner's particular tax status and the bondowner's other items of income and deduction. Bond Counsel expresses no opinion regarding such consequences. Purchasers of the Bonds, particularly purchasers that are corporations (including S corporations and United States branches of foreign corporations), property and casualty insurance companies, banks, thrifts or other financial institutions or recipients of Social Security or Railroad Retirement benefits, taxpayers otherwise entitled to the earned income credit and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors concerning their tax consequences of purchasing and holding the Bonds.

We express no opinion regarding any other Federal or state tax consequences with respect to the Bonds. We render our opinion under existing statutes and court decisions as of the issue date, and we assume no obligation to update this opinion after the issue date to reflect any future action, fact or circumstance, or change in law or interpretation, or otherwise. We express 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.

Very truly yours,

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APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

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

Creation of Trust

To secure the payment of Bond Payments on the Bonds, the Issuer will assign to the Trustee its right, title and interest in (i) the Issuer Revenues, including, without limitation, all Loan Payments and other amounts receivable by or on behalf of the Issuer under the Financing Agreement in respect of repayment of the Loan, (ii) the Escrow Fund and the Special Funds, including all accounts in those funds and all moneys deposited therein and the investment earnings on such moneys, (iii) all right, title and interest of the Issuer in the proceeds derived from the sale of the Bonds, and any securities in which moneys in the Special Funds and the Escrow Fund are invested, and (except for moneys required to be rebated to the United States of America under the Code) the proceeds derived therefrom, and any and all other real or personal property of every name and nature from time to time hereafter by delivery or by writing of any kind pledged, assigned or transferred, as and for additional security under the Indenture by the Issuer or by anyone in its behalf, or with its written consent, to the Trustee, which is authorized by the Indenture 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 Indenture, and (iv) the Financing Agreement, except for the Unassigned Issuer's Rights.

Creation of Funds; Allocation of Bond Proceeds

Creation of Funds.

The following funds and accounts are created under the Indenture and are to be maintained in the custody of the Trustee as separate accounts (except when invested in Eligible Investments): (a) the Bond Fund, and therein, the Interest Payment Account and the Principal Payment Account; (b) the Project Fund, and therein a Negative Arbitrage Account; (c) the Rebate Fund; (d) the Escrow Fund; and (d) the Costs of Issuance Fund.

Costs of Issuance Fund. The Trustee shall use moneys on deposit to the credit of the Costs of Issuance Fund to pay the costs of issuance on the Closing Date or as soon as practicable thereafter, upon delivery by the Borrower to the Trustee of appropriate invoices for such expenses and a requisition in the form attached to the Indenture. Amounts remaining on deposit in the Costs of Issuance Fund on the date which is six (6) months after the Closing Date shall be transferred, with prior notice to the Issuer, to or at the direction of the Borrower. Upon such final disbursement, the Trustee shall close the Costs of Issuance Fund.

Project Fund and Escrow Fund. The Trustee shall automatically (without need for a requisition) transfer amounts in the Project Fund (including the Negative Arbitrage Account therein) and the Escrow Fund, as needed, to pay when due Bond Payments as provided in the Indenture.

The Trustee shall make other disbursements from the Project Fund only upon the receipt of requisitions, in the forms attached to the Indenture, signed by an Authorized Borrower Representative and an Authorized Officer and only upon satisfaction of the provisions of the Indenture. Such requisitions shall be accompanied by a disbursement request for advances made under the Authority Loan for delivery to the Trustee and deposit to the Escrow Fund approved by an Authorized Authority Representative. Upon the occurrence and continuance of an Event of Default under the Indenture because of which the principal amount of the Bonds has been declared to be due and immediately payable pursuant to the Indenture, any moneys remaining in the Project Fund, together with amounts in the Escrow Fund, shall be promptly transferred by the Trustee to the Bond Fund for the payment of Bond Payments then due.

Bond Fund. There will be deposited in the Bond Fund (and credited to appropriate accounts therein), from the proceeds of the sale of the Bonds, any accrued interest. The Bond Fund (and accounts therein for which provision is made in the Indenture) and the moneys and Eligible Investments therein will be used solely and exclusively for the payment of Bond Payments as they become due at stated maturity, or upon acceleration, all as provided in the Indenture and in the Financing Agreement. Bond Payments will be payable, as they become due, (a) in the first instance from the moneys on deposit in the Interest Payment Account and Principal Payment Account of the Bond Fund, (b) next from moneys on deposit in the Project Fund and transferred as necessary to the Bond Fund and (c) thereafter, from moneys on deposit in the Escrow Fund and transferred as necessary to the Bond Fund.

In the event that amounts on deposit in the Interest Payment Account and Principal Payment Account of the Bond Fund on any Loan Payment Date are insufficient to make the payment of Bond Payments due on the next succeeding Bond Payment Date, the Trustee shall transfer first from the Project Fund (including the Negative Arbitrage Account therein) and second from the Escrow Fund for deposit in the Bond Fund an amount sufficient, together with any amount then on deposit in the Bond Fund, to pay the Bond Payments due on the related Bond Payment Date.

Rebate Fund. There will be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Indenture and the Financing Agreement. All amounts deposited in the Rebate Fund shall be held by the Trustee free and clear of the lien of the Indenture.

Allocation of Bond Proceeds.

All moneys received upon the sale of the Bonds, other than accrued interest to be deposited in the Bond Fund, will be deposited in the Project Fund created by the Indenture and used in accordance with the Indenture to pay or provide for the payment of a portion of the costs of constructing, equipping and otherwise improving the Project.

Notwithstanding any provision of the Financing Agreement, the Assignment Agreement or any other provision of the Indenture to the contrary, the Trustee will not act upon the delivery of a certified copy of the disbursement request of funds from the Project Fund, unless and until (i) an amount equal to or greater than the requested disbursement amount has been deposited in the Escrow Fund in accordance with the provisions of the Assignment Agreement and (ii) the Trustee has verified that the sum of the amount then held in the Escrow Fund and the amount then on deposit in the Project Fund, less the anticipated amount of the disbursement from the Project Fund is at least equal to the then outstanding principal amount of the Bonds.

Application of Loan Payments

So long as there are any Outstanding Bonds, all payments under the Financing Agreement shall be paid on each Loan Payment Date directly to the Trustee, and deposited as follows: (a) into the Interest Payment Account, at least the amount necessary to pay the interest on the Bonds on the next succeeding

Interest Payment Date; (b) into the Principal Payment Account, at least the amount necessary to pay the principal due on the Bonds on the next succeeding Interest Payment Date, provided that the amounts required to be deposited into the Interest Payment Account and the Principal Payment Account may be deposited in the form of either or both money or direct obligations of the United States of America or obligations the full and prompt payment of which is secured by the pledge of the full faith and credit of the United States of America of those maturities and bearing the rate or rates of interest which will be sufficient, without further investment or reinvestment of either the principal amount thereof or the interest earnings thereon, to produce the amounts required to be on deposit on the next succeeding Interest Payment Date.

If by 2:00 p.m. (New York City time) on any Loan Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the Bond Payments on the Bonds on the related Bond Payment Date, the Trustee shall transfer from the Project Fund and the Escrow Fund, without need of requisition, and deposit in the Bond Fund an amount sufficient, together with any amount then on deposit in the Bond Fund, to pay the Bond Payments due on the related Bond Payment Date.

Amounts transferred from the Project Fund and the Escrow Fund pursuant to the Indenture shall be a credit to the Loan Payment due pursuant to the Financing Agreement on the same date.

Investment of Funds

Moneys in the Bond Fund and the Rebate Fund will be invested and reinvested by the Trustee in Eligible Investments at the direction of the Issuer. The Project Fund (including the Negative Arbitrage Account therein) and the Escrow Fund will be invested in the Investment Agreement. All investment earnings paid under the Investment Agreement with respect to the Project Fund and the Escrow Fund shall be credited to the Interest Payment Account of the Bond Fund and applied on each Loan Payment Date to the payment of interest due on each Interest Payment Date. At no time shall the Borrower direct that any funds constituting gross proceeds of the Bonds be used in any manner as would constitute failure of compliance with Section 148 of the Code. Investments of moneys in the Project Fund and the Escrow Fund shall mature or be redeemable at the option of the Trustee at the times and in the amounts necessary to provide moneys to be transferred to the Bond Fund in accordance with the Indenture to pay Bond Payments on the Bonds as they become due at stated maturity. The Issuer shall notify the Rating Agency of any termination of the Investment Agreement and the reinvestment of amounts on deposit in the Project Fund and the Escrow Fund in other Eligible Investments.

The Trustee will not be responsible for determining whether any investment made by it in accordance with the Indenture is authorized under any applicable law or complies with the Indenture or the Tax Certificate.

The Trustee may make any and all investments permitted under the Indenture through its own bond or investment department including, without limitation, in any mutual fund (including any proprietary mutual fund of the Trustee or an affiliate of the Trustee for which the Trustee or an affiliate of the Trustee serves as investment adviser or provides other services and receives reasonable compensation therefor) the portfolio of which is limited to Eligible Investments.

Neither the Trustee nor the Issuer will be liable for any depreciation in the value of any obligations in which moneys of the funds or accounts created by the Indenture will be invested as set forth above or for any loss arising from any investment permitted in the Indenture.

Mutilated, Lost, Wrongfully Taken or Destroyed Bonds

Subject to the provisions of the Indenture relating to the book entry system, if a Bond is mutilated, lost, wrongfully taken or destroyed, in the absence of written notice to the Issuer or Registrar that such Bond has been acquired by a bona fide purchaser, the Issuer will execute and the Registrar will authenticate a new Bond. Any mutilated Bond will be surrendered to the Registrar, and in the case of any lost, wrongfully taken or destroyed Bond, there will be first furnished to the Registrar evidence of such loss, wrongful taking or destruction satisfactory to the Registrar, together with indemnity satisfactory to the Authorized Borrower Representative, the Borrower, the Trustee, the Registrar and an authorized official of the Issuer. In the event any such lost, wrongfully taken or destroyed Bond will have matured, instead of issuing a new Bond, the Authorized Borrower Representative may direct the Trustee to pay that Bond without surrender thereof upon the furnishing of the satisfactory evidence and indemnity as in the case of issuance of a new Bond. The Issuer, the Registrar and the Trustee may charge the Holder of a mutilated, lost, wrongfully taken or destroyed Bond with their reasonable fees and expenses in connection therewith.

Events of Default and Remedies

Each of the following is an "Event of Default" under the Indenture: (a) failure to pay when due any interest on any Bond; (b) failure to pay when due principal of any Bond whether at the stated maturity thereof, by acceleration or otherwise; (c) failure by the Issuer to perform or observe any other covenant, agreement or obligation on its part contained in the Indenture or the Bonds which failure has continued for a period of 30 days after written notice as provided in the Indenture which notice may be given by the Trustee in its discretion and which notice must be given by the Trustee at the written request of the Holders of not less than 25% in aggregate principal amount of the Bonds then outstanding; and (d) the occurrence and continuance of an "Event of Default" as defined in the Assignment Agreement.

Upon the occurrence of an Event of Default described in (a) and (b) of the preceding paragraph, the Trustee may declare, and upon the written request of the Holders of not less than 25% in aggregate principal amount of Bonds then outstanding the Trustee will declare, by a notice in writing delivered to the Issuer and the Borrower, the principal of all Bonds then outstanding (if not then due and payable), and the interest accrued thereon, to be due and payable immediately. Upon the occurrence of any Event of Default other than those described in (a) and (b) of the preceding paragraph, the Trustee may, with the written consent of all Holders of Bonds then outstanding, declare by a notice in writing delivered to the Borrower, the principal of all Bonds then outstanding (if not then due and payable), and the interest accrued thereon, to be due and payable immediately. Upon such declaration, that principal and interest will become and be due and payable immediately. Interest on the Bonds will accrue to the date determined by the Trustee for the tender of payment to the Holders pursuant to that declaration; provided, that interest on any unpaid principal of Bonds outstanding will continue to accrue from the date determined by the Trustee for the tender of payment to the Holders of those Bonds.

The provisions of the preceding paragraph are subject, however, to the condition that if, at any time after declaration of acceleration and prior to the entry of a judgment in a court for enforcement under the Indenture (after an opportunity for hearing by the Issuer and the Borrower),

(a) all sums payable under the Indenture (except the principal of and interest on Bonds which have not reached their stated maturity dates but which are due and payable solely by reason of that declaration of acceleration), plus interest to the extent permitted by law on any overdue installments of interest at the rate borne by the Bonds with respect to which the default shall have occurred, shall have been duly paid or provision shall have been duly made therefor by deposit with the Trustee or Paying Agents, and

(b) all existing Events of Default have been cured,

then and in every case, the Trustee will waive the Event of Default and its consequences and will rescind and annul that declaration. No waiver or rescission and annulment will extend to or affect any subsequent Event of Default or will impair any rights consequent thereon.

In addition, with or without taking an acceleration as described above, upon the occurrence and continuance of an Event of Default, the Trustee may pursue any available remedy, including without limitation actions at law or equity to enforce the payment of Bond Payments or the observance and performance of any other covenant, agreement or obligation under the Indenture, the Financing Agreement, the Mortgage, the Regulatory Agreement, the Assignment Agreement or the Note or any other instrument providing security, directly or indirectly, for the Bonds.

The Trustee also may, and if requested so to do by the Holders of at least 25% in aggregate principal amount of Bonds then outstanding and indemnified as provided in the Indenture, the Trustee will, exercise such of the rights and powers conferred upon it under the Indenture as the Trustee, deems most effective to enforce and protect the interests of the Holders.

The Trustee will also be empowered to enforce each and every right granted to it under the Indenture, the Financing Agreement, the Regulatory Agreement, the Mortgage, the Assignment Agreement or the Note or any other instrument providing security, directly or indirectly, for the Bonds.

Right of Holders to Direct Proceedings

The Holders of at least a majority in aggregate principal amount of Bonds then outstanding will have the right at any time, by an instrument or documents in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture, or any other proceedings under the Indenture; provided, that such direction will not be otherwise than in accordance with the provisions of law and the Indenture and that the Trustee will be indemnified to its satisfaction.

Waivers of Events of Default

Subject to any acceleration of the Bonds which may have been declared pursuant to the Indenture and prior to the entry of a judgment in a court for enforcement of the Indenture, the Trustee may in its discretion waive any Event of Default under the Indenture upon the conditions stated therein and its consequences and rescind any declaration of maturity of principal and interest, and will do so upon the written request of the Holders of (i) at least a majority in aggregate principal amount of all the Bonds then outstanding with respect to which an Event of Default exists in the payment of Bond Payments or (ii) at least 25% in aggregate principal amount of all Bonds then Outstanding in case of any other Event of Default; provided, however, that there will not be waived any Event of Default in the payment of principal and interest, and any such declaration of acceleration in connection therewith will not be rescinded, unless at the time of such waiver or rescission payment of all amounts payable under the Indenture (except the principal of, and interest accrued after the next preceding interest payment date on, the Bonds which have not reached their stated maturity dates and which are due and payable solely by reason of such declaration) will have been duly made or provided for. In case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such Event of Default will have been discontinued or abandoned or determined adversely, then and in every such case, the Issuer, the Trustee and the Holders of the Bonds will be restored to their former positions and rights under the Indenture, respectively, but no such waiver or rescission will extend to any subsequent or other Event of Default, or impair any right consequent thereon.

Applications of Moneys Received Pursuant to Right of Action Taken

All money received by the Trustee will be applied to the payment of the costs and expenses of the proceedings resulting in the collection of such money and to all fees of the Trustee for Ordinary and Extraordinary Services, and the balance of such money will be deposited in the Bond Fund and applied to the payment of Bond Payments on the Bonds in the manner and in the order of priority set forth in the Indenture.

Rights and Remedies of Holders

No Holder of any Bond will have any right to institute any suit, action or proceeding for the enforcement of the Indenture or for the execution of any trust under the Indenture or any remedy under the Indenture, unless (i) an Event of Default has occurred and is continuing of which the Trustee has been notified, and (ii) the Holders of not less than 25% in aggregate principal amount of the Bonds then Outstanding have made written request to the Trustee and have afforded the Trustee reasonable opportunity to proceed to exercise the powers provided in the Indenture or to institute such action, suit or proceeding and have offered to the Trustee indemnity as provided for in the Indenture, and (iii) the Trustee thereafter has failed or refused to exercise its powers under the Indenture or to institute such action, suit or proceeding in its own name.

Supplemental Indentures

Without the consent of, or notice to, any of the Holders, the Issuer and the Trustee may enter into indentures supplemental to the Indenture which will not, in the opinion of the Issuer and the Trustee, be inconsistent with the terms and provisions of the Indenture for any one or more of the following purposes: (a) to cure any ambiguity, inconsistency or formal defect or omission in the Indenture; (b) to grant to or confer upon the Trustee for the benefit of the Holders any additional rights, remedies, powers or authority that lawfully may be granted to or conferred upon the Holders or the Trustee; (c) to assign additional revenues under the Indenture; (d) to accept additional security and instruments and documents of further assurance with respect to the Project; (e) to add to the covenants, agreements and obligations of the Issuer under the Indenture, other covenants, agreements and obligations to be observed for the protection of the Holders, or to surrender or limit any right, power or authority reserved to or conferred upon the Issuer in the Indenture; (f) to evidence any succession to the Issuer and the assumption by its successor of the covenants, agreements and obligations of the Issuer under the Indenture, the Financing Agreement and the Bonds; (g) to facilitate (A) the transfer of Bonds issued by the Issuer under the Indenture and held in book entry form from one Depository to another and the succession of Depositories, or (B) the withdrawal of Bonds issued by the Issuer under the Indenture and delivered to a Depository for use in a Book Entry System and the issuance of replacement Bonds in fully registered form and in the form of physical certificates to others than a depository; (h) to permit the Trustee to comply with any obligations imposed upon it by law; (i) to specify further the duties and responsibilities of, and to define further the relationship among, the Trustee, the Registrar and any Authenticating Agents or Paying Agents; (j) to achieve compliance of the Indenture with any applicable federal securities or tax law; (k) to make amendments to the provisions of the Indenture relating to arbitrage matters under Section 148 of the Code, if, in the Opinion of Bond Counsel, those amendments would not cause the interest on the Bonds outstanding to be included in gross income of the Holders for federal income tax purposes which amendments may, among other things, change the responsibility for making the relevant calculation, provided that in no event will such amendments delegate to the Trustee without its consent, in its sole discretion the obligation to make or perform the calculations required by Section 148 of the Code; and (l) to permit any other amendment which, in the judgment of the Trustee, is not to the prejudice of the Trustee or the Holders.

Exclusive of supplemental indentures for the purposes above summarized, the consent of the Holders of not less than a majority in aggregate principal amount of the Bonds then outstanding will be required to approve any indenture supplementing the Indenture, along with the written consent of the Borrower if any rights of the Borrower are affected and the written consent of the Authority if any rights of the Authority are affected, provided that: (i) without the consent of the Holder of each Bond affected, no supplemental indenture will permit an extension of the maturity of the principal of or the interest on any Bond, or a reduction in the principal amount of any Bond or the rate of interest on any Bond, and (ii) without the consent of the Holders of all Bonds then outstanding, no supplemental indenture will permit a privilege or priority of any Bond over any other Bond, or a reduction in the aggregate principal amount of Bonds required for consent to such supplemental indenture.

Discharge of Lien

The lien of the Indenture will be discharged if the Issuer will pay or cause to be paid and discharged all the Outstanding Bonds, or there will otherwise be paid to the Holders of the Outstanding Bonds all the Bond Payments due or to become due thereon, and provisions will also be made for paying all other amounts payable under the Indenture by the Issuer, and under the Financing Agreement, the Regulatory Agreement, the Assignment Agreement, the Mortgage and the Note by the Borrower.

All or any part of the Outstanding Bonds will be deemed to have been paid and discharged within the meaning of the Indenture if (a) the Trustee and any Paying Agent has received in trust and irrevocably committed for such payment, sufficient moneys, or (b) the Trustee has received, in trust and irrevocably committed for such payment, direct noncallable obligations of or obligations guaranteed as to full and timely payment by the United States of America certified by an Independent public accounting firm of national reputation to be of such maturities or redemption dates and interest payment dates and to bear such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient together with moneys referred to in (a) above, for the payment, at their maturities, of all payments of Bond Payments on the Bonds to the date of maturity or earlier redemption, if irrevocable instructions to redeem on such date have been delivered to the Trustee. Any moneys so held by the Trustee may be invested by the Trustee, but only in direct noncallable obligations of or obligations guaranteed as to full and timely payment by the United States of America having maturity dates or redemption dates of which, at the option of the Holder, will not be later than, the time or times at which said moneys will be required for the aforesaid purposes. Any income or interest earned by, or increment to, the investments so made will, to the extent determined from time to time by the Trustee to be in excess of the amount required to be held by it for payment of the Bond Payments on the Bonds, be transferred at the time of such determination as provided in the Indenture for transfers of remaining amounts in the Bond Fund. In the event of nonpresentment of Bonds, the moneys described in clauses (a) and (b) above will be held by the Trustee without liability for interest thereon, in a separate account in the Bond Fund; provided that any moneys which will be so held by the Trustee and which remain unclaimed by the Holder of the Bond for a period of five years will be paid to the State, and the Trustee will have no further responsibility with respect to such moneys and the Holder of such Bond will look only to the State for payment without interest thereof. Within 15 days after any series of Bonds are deemed paid and discharged, the Trustee is to give notice of that fact to each Holder as shown on the Register on the date the Bonds are deemed paid and discharged.

Extent of Issuer's Covenants; No Personal Liability

All agreements of the Issuer contained in the Indenture will be effective to the extent authorized and permitted by applicable law and they will not be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, officer, agent or employee of the Issuer or the Board in his or her individual capacity. No official of the Issuer executing the Bonds, the Indenture, the Financing Agreement or any supplement or amendment thereto will be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance or execution thereof.

Amendments to Financing Agreement, Regulatory Agreement, Mortgage, Assignment Agreement and Note

The Financing Agreement, the Regulatory Agreement, the Mortgage, the Assignment Agreement and the Note may only be amended as permitted by the Indenture. Without the consent of or notice to the Holders, the Issuer and the Trustee may consent to any amendment, change or modification of the Financing Agreement, the Regulatory Agreement, the Mortgage, the Assignment Agreement or the Note as may be required (i) by the provisions thereof or of the Indenture, (ii) for the purpose of curing any ambiguity, inconsistency or formal defect or omission therein, (iii) in connection with an amendment or to effect any purpose for which there could be an amendment of the Indenture without the consent of the Holders as provided in the Indenture, or (iv) in connection with any other change therein which is not to the prejudice of the Trustee or the Holders of the Bonds, in the judgment of the Trustee. Except for such amendments, neither the Issuer nor the Trustee will consent to any amendment of the Financing Agreement or the Note which would change the amount or time as of which Loan Payments are required to be paid, without the giving of notice as provided in the Indenture and written approval or consent thereto of the Holders of all of the then Outstanding Bonds affected by such amendment, or any other amendment of the Financing Agreement, the Regulatory Agreement, the Mortgage, the Assignment Agreement or the Note without the giving of notice as provided in the Indenture of the proposed amendment and written consent thereto of the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding affected by such amendment.

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS 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 full text of the Financing Agreement, a copy of which is on file with the Trustee.

Loan Repayment; Delivery of the Note

In consideration of and in repayment of the Loan, the Borrower agrees to deliver to the Trustee on or before each Loan Payment Date, Loan Payments, equal to the amount necessary to pay interest on and principal of the Bonds due on the next Bond Payment Date. All such Loan Payments must be paid to the Trustee in accordance with the terms of the Note for the account of the Issuer and shall be held and disbursed in accordance with the provisions of the Indenture and the Financing Agreement.

The Borrower will be entitled to a credit against the Loan Payments required to be made with respect to the Bonds on any date equal to the amount transferred from the Project Fund and the Escrow Fund to the Bond Fund for the payment of Bond Payments on the Bonds.

To secure the Borrower's performance of its obligations under the Financing Agreement, the Borrower agrees execute and deliver, concurrently with the issuance and delivery of the Bonds, the Note, the Mortgage and the Regulatory Agreement. The Note and the Mortgage will secure equally and ratably all outstanding Bonds, except that, so long as no Event of Default has occurred and is subsisting under the Financing Agreement, payments by the Borrower on the Note will be used by the Trustee to make a like payment of Bond Payments and shall constitute Loan Payments.

The Borrower and the Issuer acknowledge that neither the Borrower nor the Issuer has any interest in the Bond Fund or the Escrow Fund and any moneys deposited therein will be in the custody of and held by the Trustee for the benefit of the Holders.

Additional Payments

The Borrower agrees to pay (or cause to be paid by the Trustee, to the extent paid from moneys on deposit in the Project Fund), as Additional Payments in consideration of the funding of the Loan, the following fees, expenses and other moneys payable in connection with the Loan: (a) on the Closing Date, from moneys on deposit in the Costs of Issuance Fund or, to the extent such moneys are insufficient for such purpose, from other moneys of the Borrower, various fees and third-party and out of pocket expenses of the Issuer incurred in connection with the making of the Loan and the issuance of the Bonds; (b) from moneys of the Borrower, to the Issuer, the Issuer's annual fee and any extraordinary expenses not covered by such annual fee that the Issuer may incur in connection with the Loan Documents or the Project from time to time; (c) from moneys of the Borrower, to the Issuer or the Trustee, as the case may be, whether or not an Event of Default has occurred under the Financing Agreement, as payment for or reimbursement or prepayment of any and all costs, expenses, and liabilities (i) incurred or paid by the Issuer or the Trustee, as the case may be, in satisfaction of any obligations of the Borrower under the Financing Agreement not performed by the Borrower in accordance with the provisions of the Financing Agreement, or (ii) incurred as a result of a request by the Borrower or of a requirement of the Financing Agreement or the Indenture and not otherwise required to be paid by the Borrower under the Financing Agreement, or (iii) incurred in the defense of any action or proceeding with respect to the Project or the

Financing Agreement, or in enforcing the Financing Agreement, or arising out of or based upon any other document related to the issuance of the Bonds; (d) from moneys of the Borrower, to the applicable party, as payment for or reimbursement or prepayment of any Ordinary Services and Ordinary Expenses and Extraordinary Services and Extraordinary Expenses of the Trustee as trustee, registrar, authenticating agent and paying agent, and of any other paying agent, authenticating agent, and registrar on the Bonds under the Indenture, all as provided in the Indenture, as and when the same become due; (e) from moneys of the Borrower, to the Rebate Analyst, the reasonable fees and expenses of such Rebate Analyst in connection with the computations relating to arbitrage rebate required under the Indenture and the Financing Agreement when due from time to time; and (f) from moneys of the Borrower, to the Rating Agency the annual rating maintenance fee, if any, of the Rating Agency.

Construction of the Project

The Borrower agrees to cause construction of the Project to be performed diligently and continuously according to the agreement between the Borrower and the general contractor and the final plans and specifications for the construction of the Project, as approved by the Administration, including any amendments or modifications thereto as may be made by the Borrower from time to time and approved by the Administration according to the terms of the Financing Agreement and all work write-ups. The Borrower agrees to construct the Project free and clear of all liens and encumbrances other than the lien of the Loan Documents and the Mortgage and other encumbrances permitted by the Issuer.

Conditions Precedent to Disbursement

Pursuant to the Financing Agreement, Issuer is not obligated to advance Loan proceeds under the Financing Agreement unless certain conditions precedent to disbursement have been satisfied by the Borrower, including, without limitation, payments to the Escrow Fund as set forth in the Indenture and described under "AUTHORITY LOAN AND DISBURSEMENT OF PROCEEDS." The failure of the Issuer to insist upon strict performance of the requirements for the first advance of Loan proceeds or for any subsequent advance shall not be deemed a waiver of its rights to later insist upon strict compliance with the conditions established for any such advance, notwithstanding that the advance may already have been made.

Events of Default

The Financing Agreement provides that each of the following is an "Event of Default": (a) failure by the Borrower to pay any Loan Payment on or prior to the date on which due; (b) failure by the Borrower to observe or perform any other term, condition or covenant under the Financing Agreement and to rectify the same within 10 days after written notice to the Borrower, or if, in the Issuer's determination, such failure cannot be rectified within 10 days, to begin to rectify such matter within said 10 days, in the Issuer's determination, and thereafter diligently and continuously pursue the remedy, in the Issuer's determination; (c) the Borrower admits in writing its inability to pay its debts generally as they become due, the Borrower has an order for relief entered in any case commenced by or against it under the federal bankruptcy laws, as now or hereafter in effect and not dismissed within 90 days, the Borrower commences a proceeding under any other federal or state bankruptcy, insolvency, reorganization or similar law, or has such a proceeding commenced against it and either has an order of insolvency or reorganization entered against it or has the proceeding remain undismissed and unstayed for 90 days, the Borrower makes an assignment for the benefit of creditors, or the Borrower has a receiver or trustee appointed for it or for the whole or any substantial part of its property which appointment is not vacated within a period of 90 days; (d) default under any other Loan Document which default is not cured within the applicable grace period provided therein; (e) at any time any representation or warranty made by Borrower or on behalf of Borrower in connection with the Loan is or becomes materially incorrect or incomplete; (f) failure by the Borrower to commence construction of the Project within the period specified the Financing Agreement; (g) the Project is damaged or destroyed by fire or otherwise and the Issuer has determined that it cannot be restored so that the Project can be completed on or before the Completion Date and within the other terms and conditions of the Financing Agreement; (h) failure by the Borrower to construct the Project according to the Contract Documents (as defined in the Financing Agreement) and according to all applicable Legal Requirements (as defined in the Financing Agreement) now existing or hereafter enacted, adopted or promulgated; (i) for any cause whatsoever, except for strikes, acts of God and other causes which in the determination of the Issuer are beyond the control of Borrower: (i) the construction of the Project is at any time discontinued for a period of 20 consecutive calendar days, or (ii) construction is not carried on so as to permit completion of the work on or before the Completion Date, as determined by the Issuer, or (iii) such construction, as determined by the Issuer, has not been completed or is not progressing in accordance with the Contract Documents (unless the Issuer shall determine that such discontinuance shall not jeopardize the security for the Loan); (j) failure by the Borrower to pay any sums due and owing to the General Contractor (as defined in the Financing Agreement), or any subcontractor, mechanic, materialman or supplier, upon the demand of such party or upon the demand of the Issuer, for work done on or in connection with the Project, except for good faith disputes or delays approved by the Issuer subject to such conditions as the Issuer may impose; (k) except as otherwise provided in the Financing Agreement, if the Land (as defined in the Financing Agreement), Project, or any part thereof, including any equipment, building materials or any personalty relating thereto, are subject to a lien or security agreement other than the Mortgage and any liens permitted thereunder; (l) failure by the Borrower to discharge, bond or obtain title insurance against any mechanics' lien within 3 days of the issuance by any court of a final order establishing the lien; or (m) if the General Contractor or Borrower shall become insolvent or be adjudicated bankrupt or shall make an assignment for the benefit of a creditor or file or have filed against it a petition for bankruptcy or reorganization or arrangement and, in the case of such involuntary petition filed against the General Contractor or Borrower, such petition is not discharged or dismissed within 60 days of its filing.

Remedies

Whenever an Event of Default shall have happened and be subsisting, in addition to all other rights and remedies available under the Financing Agreement or under the other Loan Documents, any one or more of the following remedial steps may be taken: (a) if acceleration of the principal amount of the Bonds has been declared pursuant to the Indenture, the Trustee shall declare all Loan Payments to be immediately due and payable together with any other amounts payable by the Borrower under the Financing Agreement and the Note whereupon the same shall become immediately due and payable; (b) the Issuer may terminate the Financing Agreement and use and apply any funds deposited with it or under the Indenture by the Borrower, regardless of the purpose for which such funds were deposited, in such manner and for such purposes as the Issuer may determine. If the Issuer elects not to terminate the Financing Agreement, it may enter into possession of the Project and cause the performance of any and all work and labor necessary to complete the improvements substantially according to the Contract Documents and employ watchmen to protect the Project site from injury. The Issuer may advance any proceeds of the Loan remaining unadvanced, together with any additional sums required to complete and protect the Project, and these sums shall be secured by the Mortgage; (c) the Issuer may exercise any or all or any combination of the remedies specified in the Financing Agreement; (d) the Issuer or the Trustee may have access to, inspect, examine and make copies of the books, records, accounts and financial data of the Borrower pertaining to the Project; or (e) the Issuer or the Trustee may pursue all remedies now or hereafter existing at law or in equity to collect all amounts then due and thereafter to become due under the Financing Agreement, the Regulatory Agreement, the Mortgage, the Note and any other Loan

Document or to enforce the performance and observance of any other obligation or agreement of the Borrower under those instruments.

Amendments, Changes and Modifications of the Financing Agreement

The Financing Agreement and the Note may only be amended as permitted by the Indenture. See "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Amendments to Financing Agreement, Regulatory Agreement, Mortgage, Assignment Agreement and Note."

APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT

The following is a brief summary of certain provisions of the 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 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 the 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 Regulatory Agreement.

"Lower-Income Tenants" means individuals whose income is 60% or less of AMGI, as adjusted for family size. Except as otherwise provided in the Regulatory Agreement, as may be summarized in this Appendix E, 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.

"Regulated Units" means those units rented to and occupied by Lower-Income Tenants.

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

(i) 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; and

(ii) the determination of income will be made both prior to occupancy and on a continuing basis. Increases in a Lower-Income Tenant's income up to 140% of the applicable limit (adjusted for family size) will not result in disqualification as a Lower Income Tenant. In the event that a Lower-Income Tenant's 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 Project 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; provided however, that if tax credits under Section 42 of the Code are allowed with respect to the Project, the next unit of a comparable size in the same building as the Lower-Income Tenant whose income has increased to a level more than 140% of the then applicable limit must be rented to a Lower-Income Tenant.

The Borrower covenants in the Regulatory Agreement that all of the proceeds of the 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 shall be rented or available for rental on a continuous basis to the general public.

APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (the "Agreement") is made and entered into as of the 1st day of May, 2010, between **MANUFACTURERS AND TRADERS TRUST COMPANY**, as dissemination agent (the "Dissemination Agent") and **C.W. BROOKS LLC**, a Maryland limited liability company (the "Borrower").

RECITALS

WHEREAS, the Community Development Administration (the "Issuer") has issued or will issue its Multifamily Development Revenue Bonds (C.W. Brooks Mid-Rise) Series 2010 A in the original aggregate principal amount of $6,900,000 (the "Bonds") pursuant to a Trust Indenture, dated as of May 1, 2010 (the "Indenture"), between the Issuer and the Trustee and has loaned or will loan the proceeds thereof to the Borrower pursuant to a Financing Agreement, dated as of May 1, 2010 (the "Financing Agreement"), among the Borrower, the Issuer and the Trustee to pay a portion of the costs of constructing, equipping and otherwise improving affordable residential rental housing comprised of approximately 60 living units (the "Project"); and

WHEREAS, the Bonds have been offered and sold pursuant to a final Official Statement dated May 12, 2010 (the "Offering Document"); and the Issuer has entered into a Bond Purchase Agreement, dated May 12, 2010 (the "Bond Purchase Agreement"), with respect to the sale of the Bonds, with the Borrower, the Participating Underwriter, as hereinafter defined, and any other purchasers of the Bonds named therein; and

WHEREAS, the Dissemination Agent and the Borrower wish to provide for the disclosure of certain information concerning the Bonds, the Project and other matters on an on-going basis as set forth herein for the benefit of Bondholders (as hereinafter defined) in accordance with the provisions of Securities and Exchange Commission Rule 15c2-12, as amended from time to time (the "Rule");

NOW, THEREFORE, in consideration of the mutual promises and agreements made herein and in the Indenture and/or the Financing Agreement, the receipt and sufficiency of which consideration is hereby mutually acknowledged, the parties hereto agree as follows:

SECTION 1. Definitions; Scope of this Agreement.

(A) All terms capitalized but not otherwise defined herein shall have the meanings assigned to those terms in the Indenture and the Financing Agreement, as those agreements are amended and supplemented from time to time. Notwithstanding the foregoing, the term "Dissemination Agent" shall originally mean the Trustee, or any successor trustee under the Indenture; any such successor Dissemination Agent shall automatically succeed to the rights and duties of the Dissemination Agent hereunder, without any amendment hereto. The following capitalized terms shall have the following meanings:

"*Annual Financial Information*" shall mean a copy of the annual audited financial information prepared for the Borrower which shall include, if prepared, a balance sheet, a statement of revenue and expenditure and a statement of changes in fund balances. All such financial information shall be prepared using generally accepted accounting principles, provided, however, that the Borrower may change the accounting principles used for preparation of such financial information so long as the Borrower includes as information provided to the public a statement to the effect that different accounting principles are being used, stating the reason for such change and how to compare the financial information provided by the differing financial accounting principles.

"*Annual Report*" means the annual report of Annual Financial Information to be provided by the Borrower.

"*Beneficial Owner*" shall mean any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"*Bondholders*" shall mean any holder of the Bonds and any Beneficial Owner thereof.

"*MSRB*" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934. All documents provided to the MSRB shall be in an electronic format and accompanied by identifying information, as prescribed by the MSRB. Initially, all document submissions to the MSRB pursuant to this Continuing Disclosure Agreement shall use the MSRB's Electronic Municipal Market Access (EMMA) system at www.emma.msrb.org.

"*Material Event*" shall mean any of the events listed in items (i) through (xiii) below the occurrence of which the Borrower obtains knowledge, and which the Borrower determines would constitute material information for Bondholders, provided, that the occurrence of an event described in clauses (i), (iii), (iv), (v), (viii), (ix) and (xi) shall always be deemed to be material. The following events with respect to the Bonds, if material, shall constitute Material Events:

(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 Bonds;

(vii) Modifications to rights of security holders;

(viii) Bond calls, except for mandatory scheduled redemptions not otherwise contingent upon the occurrence of an event;

(ix) Defeasances;

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

(xi) Rating changes;

(xii) The cure, in the manner provided under the Indenture, of any payment or nonpayment related default under the Indenture; and

(xiii) The issuance of any Additional Bonds or other indebtedness on a parity with the Bonds.

The SEC requires the listing of (i) through (xi) although some of such events may not be applicable to the Bonds.

"*Participating Underwriter*" shall mean RBC Capital Markets Corporation, as underwriter of all of the original principal amount of the Bonds, required to comply with the Rule in connection with the offering of the Bonds.

"*Release*" shall mean Securities and Exchange Commission Release No. 34-34961.

"*SEC*" shall mean the Securities and Exchange Commission.

"*State*" shall mean the State of Maryland.

"*Turn Around Period*" shall mean (i) five (5) business days, with respect to Annual Financial Information delivered by the Borrower to the Dissemination Agent; (ii) two (2) business days with respect to Material Event occurrences disclosed by the Borrower to the Dissemination Agent; or (iii) two (2) business days with respect to the failure, on the part of the Borrower, to deliver Annual Financial Information to the Dissemination Agent which period commences upon notification by the Borrower of such failure, or upon the Dissemination Agent's actual knowledge of such failure.

(B) This Agreement applies to the Bonds and any additional bonds issued under the Indenture.

(C) The Dissemination Agent shall have no obligation to make disclosure about the Bonds or the Project except as expressly provided herein; provided that nothing herein shall limit the duties or obligations of the Dissemination Agent, as Trustee, under the Indenture 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 Indenture 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 Indenture 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.

SECTION 2. Disclosure of Information.

(A) General Provisions. This Agreement governs the Borrower's direction to the Dissemination Agent with respect to information to be made public. 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 Indenture. The Borrower and the Dissemination Agent acknowledge that the Issuer has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Agreement, and has no liability to any person, including any Bondholder, with respect to any such reports, notices or disclosures.

(B) Information Provided to the Public. Except to the extent this Agreement is modified or otherwise altered in accordance with Section 3 hereof, the Borrower shall make or cause to be made public the information set forth in subsections (1), (2) and (3) below:

(1) Annual Financial Information. Annual Financial Information at least annually not later than 180 days after the end of each fiscal year of the Borrower beginning with fiscal year ending December 31, 2010 and continuing with each fiscal year thereafter, for which the information is provided taking into account the Turn Around Period and, in addition, all information with respect to the Bonds required to be disseminated by the Trustee pursuant to the Indenture upon the written request of the Trustee.

(2) Material Events Notices. Notice of the occurrence of a Material Event.

(3) Failure to Provide Annual Financial Information. Notice of the failure of Borrower to provide the Annual Financial Information by the date required herein.

(C) Information Provided by Dissemination Agent to Public.

(1) The Borrower directs the Dissemination Agent on its behalf to make public in accordance with subsection (D) of this Section 2 and within the time frame set forth in clause (3) below, and the Dissemination Agent agrees to act as the Borrower's agent in so making public, the following:

(a) the Annual Financial Information;

(b) Material Event occurrences;

(c) the notices of failure to provide information which the Borrower has agreed to make public pursuant to subsection (B)(3) of this Section 2;

(d) such other information as the Borrower shall determine to make public through the Dissemination Agent at the Borrower's additional expense and shall provide to the Dissemination Agent in the form required by subsection I(2) of this Section 2. If the Borrower chooses to include any information in any Annual Financial Information report or in any notice of occurrence of a Material Event, in addition to that which is specifically required by this Agreement, the Borrower shall have no obligation under this Agreement to update such information or include it in any future Annual Financial Information report or notice of occurrence of a Material Event; and

(2) The information which the Borrower has agreed to make public shall be in the following form:

(a) as to all notices, reports and financial statements, if any, to be provided to the Dissemination Agent by the Borrower, in the form required by the Indenture or the Financing Agreement or other applicable document or agreement; and

(b) as to all other notices or reports, in such form as the Dissemination Agent shall deem suitable for the purpose of which such notice or report is given.

(3) The Dissemination Agent shall make public the Annual Financial Information, the Material Event occurrences and notice of the failure to provide the Annual Financial Information within the applicable Turn Around Period. Notice of the failure to provide the Annual Financial Information shall be in substantially the form of Exhibit A hereto. Notwithstanding the foregoing, Annual Financial Information and notice of Material Events shall be made public on the same day as notice thereof is given to the Bondholders of outstanding Bonds, if required in the Indenture, and shall not be made public before the date of such notice. If on any such date, information required to be provided by the Borrower to the Dissemination Agent has not been provided on a timely basis, the Dissemination Agent shall make such information public as soon thereafter as it is provided to the Dissemination Agent.

(D) Means of Making Information Public.

(1) Information shall be deemed to be made public by the Borrower or the Dissemination Agent under this Agreement if it is transmitted as provided in subsection (D)(2) of this Section 2 by the following means:

(a) to the Bondholders of outstanding Bonds, by the method prescribed by the Indenture;

(b) to the MSRB, in an electronic format and accompanied by identifying information, as prescribed by the MSRB; provided that the Borrower or the Dissemination Agent is authorized to transmit information to the MSRB by whatever means are mutually acceptable to the Dissemination Agent or the Borrower, as applicable, and the MSRB; and/or

(c) to the SEC, by (i) electronic facsimile transmissions confirmed by first class mail, postage prepaid, or (ii) first class mail, postage prepaid; provided that the Borrower or the Dissemination Agent is authorized to transmit information to a SEC by whatever means are mutually acceptable to the Dissemination Agent or the Borrower, as applicable, and the SEC.

(2) Information shall be transmitted to the following:

(a) all Annual Financial Information shall be made available to the MSRB;

(b) notice of all Material Event occurrences and all notices of the failure to provide Annual Financial Information within the time specified in Section 2(B)(1) hereof shall be made available to the MSRB; and

(c) to the extent any Annual Financial Information is included in a document filed with the MSRB or the SEC, the Borrower shall have been deemed to have provided that information if a statement specifically referencing the filed document is filed with the MSRB as part of the Borrower's obligation to file Annual Financial Information pursuant to this Agreement. Additionally, if the referenced document is a final official statement (as that term is defined in Rule 15c2-12(f)(3)), it must be available from the MSRB.

Nothing in this subsection shall be construed to relieve the Dissemination Agent, as Trustee, of its obligation to provide notices to the holders of all Bonds if such notice is required by the Indenture.

With respect to requests for periodic or occurrence information from Bondholders, the Dissemination Agent may require payment by requesting of holders a reasonable charge for duplication and transmission of the information and for the Dissemination Agent's administrative expenses incurred in providing the information.

Nothing in this Agreement shall be construed to require the Dissemination Agent to interpret or provide an opinion concerning the information made public. If the Dissemination Agent receives a request for an interpretation or opinion, the Dissemination Agent may refer such request to the Borrower for response.

(E) Dissemination Agent Compensation. 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.

(F) Indemnification of Dissemination Agent. In addition to any and all rights of the Dissemination Agent or the Issuer to reimbursement, indemnification and other rights pursuant to the Indenture or the Financing Agreement or under law or equity, the Borrower shall indemnify and hold harmless the Dissemination Agent and the Issuer and their respective 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 3. Amendment or Waiver.

Notwithstanding any other provision of this Agreement, the Borrower and the Dissemination Agent may amend this Agreement (and the Dissemination Agent shall agree to any reasonable amendment requested by the Borrower) and any provision of this Agreement may be waived, if such amendment or waiver is supported by an opinion of nationally recognized bond counsel or counsel expert in federal securities laws acceptable to both the Borrower and the Dissemination Agent to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule as well as any change in circumstance.

SECTION 4. Miscellaneous.

(A) Representations. Each of the parties hereto represents and warrants to each other party that it has (i) duly authorized the execution and delivery of this Agreement by the officer of such party whose signature appears on the execution pages hereto, (ii) that it has all requisite power and authority to execute, deliver and perform this Agreement under its organizational documents and any corporate resolutions now in effect, (iii) that the execution and delivery of this Agreement, and performance of the terms hereof, does not and will not violate any law, regulation, ruling, decision, order, indenture, decree, agreement or instrument by which such party is bound, and (iv) such party is not aware of any litigation or proceeding pending, or, to the best of such party's knowledge, threatened, contesting or questioning its existence, or its power and authority to enter into this Agreement, or its due authorization, execution and delivery of this Agreement, or otherwise contesting or questioning the issuance of the Bonds.

(B) Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State; provided that, to the extent that the SEC, the MSRB or any other federal or state agency or regulatory body with jurisdiction over the Bonds shall have promulgated any rule or regulation governing the subject matter hereof, this Agreement shall be interpreted and construed in a manner consistent therewith.

(C) 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.

(D) Counterparts. This Agreement may be executed in one or more counterparts, each and all of which shall constitute one and the same instrument.

(E) Termination. This Agreement may be terminated by any party to this Agreement upon thirty days' written notice of termination delivered to the other party or parties to this Agreement; provided the termination of this Agreement is not effective until (i) the Borrower, or its successor, enters into a new continuing disclosure agreement with a Dissemination Agent who agrees to continue to provide, to the MSRB and the Bondholders of the Bonds, all information required to be communicated pursuant to the rules promulgated by the SEC or the MSRB, (ii) nationally recognized bond counsel or counsel expert in federal securities law provides an opinion that the new continuing disclosure agreement is in compliance with all Commonwealth and Federal Securities laws and (iii) notice of the termination of this Agreement is provided to the MSRB.

This Agreement shall terminate automatically without further action of the parties hereto when all of the Bonds are or are deemed to be no longer outstanding by reason of redemption or legal defeasance or at maturity.

(F) Defaults: Remedies. A party shall be in default of its obligations hereunder if it fails to carry out or perform its obligations hereunder.

If an event of default occurs and continues beyond a period of thirty (30) days following notice of default given in writing to such defaulting party by any other party hereto or by a beneficiary hereof as identified in Section 4(G), the non-defaulting party or any such beneficiary may (and, at the request of the Participating Underwriter or the holders of at least 25% aggregate principal amount of Outstanding Bonds, the non-defaulting party shall), enforce the obligations of the defaulting party under this Agreement; provided, however, the sole remedy available in any proceeding to enforce this Agreement shall be an action in mandamus, for specific performance or similar remedy to compel performance.

The occurrence of any event of default as provided in this Agreement shall not constitute an event of default under the Indenture or the Financing Agreement.

(G) Beneficiaries. This Agreement is entered into by the parties hereof and shall inure solely to the benefit of the Issuer, the Borrower, the Trustee, the Dissemination Agent, the Participating Underwriter and Bondholders, and shall create no rights in any other person or entity.

SECTION 5. Notices.

Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

To the Borrower	C.W. Brooks LLC c/o Pennrose Properties, LLC 230 Wyoming Avenue Kingston, PA 18704 Attention: President
To the Dissemination Agent:	Manufacturers and Traders Trust Company 25 South Charles Street 16th Floor Mail Code MD2-CS58 Baltimore, MD 21201 Attention: Corporate Trust Department

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

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IN WITNESS WHEREOF, the Dissemination Agent and the Borrower have each caused their duly authorized officers to execute this Agreement, as of the day and year first above written.

C.W. BROOKS LLC, a Maryland limited liability company

By: Pennrose GP, LLC, its managing member

By:______________________________________
Mark H. Dambly
President

[Signatures continued on next page]

[Counterpart signature page to Continuing Disclosure Agreement]

MANUFACTURERS AND TRADERS TRUST COMPANY, as Dissemination Agent

By: ________________________________
Authorized Signatory

EXHIBIT A

ANNUAL FINANCIAL INFORMATION

$6,900,000
COMMUNITY DEVELOPMENT ADMINISTRATION
MARYLAND DEPARTMENT OF HOUSING AND
COMMUNITY DEVELOPMENT
Multifamily Development Revenue Bonds
(C.W. Brooks Mid-Rise)
Series 2010 A

Report for Period Ending

THE PROJECT
Name: ___________________________
Address: ___________________________
Number of Units ___________________________
Number of Units Occupied as of Report Date __________________________
The following table sets forth a summary of the operating results of the Project for fiscal year ended ___________, as derived from the Borrower's [un]audited financial statements.
Revenues
Operating Expenses
Net Operating Income
Debt Service on the Loan
Net Operating Income/(Loss)
After Debt Service

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APPENDIX G

BOOK ENTRY SYSTEM

The information in the Official Statement and in this appendix concerning The Depository Trust Company ("DTC") and DTC's Book-Entry System has been obtained from DTC. Neither the Issuer nor the Borrower makes any representation or warranty or take any responsibility for the accuracy or completeness of such information.

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 Bonds Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has 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 confirmations from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmation 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 Bond 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 Issuer 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions and dividend payments 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 detail information from the Issuer 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, the Trustee, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee or the Issuer, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the 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 depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered. The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

NEITHER THE ISSUER NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, BENEFICIAL OWNERS OR OTHER NOMINEES OF

SUCH BENEFICIAL OWNERS FOR (i) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; (ii) THE PAYMENT BY DTC OR BY ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OR REDEMPTION OR PURCHASE PRICE OF, INTEREST ON, ANY BONDS; (iii) THE DELIVERY OF ANY NOTICE BY DTC OR ANY PARTICIPANT; (iv) THE SELECTION OF THE PARTICIPANTS OR THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (v) ANY CONSENT GIVEN OR ANY OTHER ACTION TAKEN BY DTC OR ANY PARTICIPANT.

So long as Cede & Co. is the registered owner of the Bonds, as nominee for DTC, reference herein to the registered owners of the Bonds (other than under the heading "TAX MATTERS") shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Bonds.

The Indenture provides for issuance of fully registered Bonds ("Replacement Bonds") directly to owners of Bonds other than DTC only in the event that DTC (or a successor securities depository) determines not to continue to act as securities depository for the Bonds, the Issuer determines that DTC is incapable of discharging its duties as securities depository or the Issuer determines that the interests of beneficial owners of the Bonds may be adversely affected if the book-entry only system of transfer is confirmed. Upon occurrence of any of the foregoing events, the Issuer and the Borrower shall use their best efforts to attempt to locate another qualified securities depository. If the Issuer and the Borrower fail to locate another qualified securities depository to replace DTC, the Issuer and the Borrower, at the Borrower's expense, shall cause to be authenticated and delivered Replacement Bonds, in certificate form, to the beneficial owners of the Bonds. In the event that the Issuer makes the determination noted above (provided that the Issuer undertakes no obligation to make any investigation to determine the occurrence of any events that would permit the Issuer to make any such determination), and has made provision to notify the beneficial owners of Bonds of such determination by mailing an appropriate notice to DTC, it and the Borrower shall cause to be issued Replacement Bonds in certificate form to beneficial owners of the Bonds as shown on the records of DTC provided to the Issuer.

Debt service on Replacement Bonds will be payable when due without deduction for the services of the Trustee as paying agent. Principal will be payable to the registered owner upon presentation and surrender of the Bonds then due and payable at the designated corporate trust office of the Trustee. Interest will be payable on the interest payment date by the Trustee by check, mailed to the registered owner of record on the Bond Register as of the 15th day of the month preceding the interest payment date.

Replacement Bonds will be exchangeable for Replacement Bonds of authorized denominations, and transferable, at the office of the Trustee without charge (except taxes or governmental fees).

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