

Maryland Economic Development Corporation
Refunding Revenue Bonds
(Rocky Gap Golf Course and Hotel/Meeting Center Project)
Series 2008A, B, C and D

First Supplemental Trust Indenture

Closing Date: January 14, 2011

CLOSING INDEX

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MARYLAND ECONOMIC DEVELOPMENT CORPORATION

AND

MANUFACTURERS AND TRADERS TRUST COMPANY
as Trustee

FIRST SUPPLEMENTAL TRUST INDENTURE

MARYLAND ECONOMIC DEVELOPMENT CORPORATION
REFUNDING REVENUE BONDS
(ROCKY GAP GOLF COURSE AND HOTEL/MEETING CENTER PROJECT)
SERIES 2008 A, B, C AND D

Dated January 14, 2011

FIRST SUPPLEMENTAL TRUST INDENTURE

THIS FIRST SUPPLEMENTAL TRUST INDENTURE (this "First Supplemental Indenture") is dated this 14th day of January, 2011, and is made and entered into by and between **MARYLAND ECONOMIC DEVELOPMENT CORPORATION**, a body politic and corporate and an instrumentality of the State of Maryland (the "Issuer"), and **MANUFACTURERS AND TRADERS TRUST COMPANY**, a New York banking corporation, as Trustee (the "Trustee").

RECITALS

Pursuant to and in accordance with Sections 10-101 through 10-131, inclusive, of the Economic Development Article of the Annotated Code of Maryland (the "Act"), the Issuer issued its Refunding Revenue Bonds (Rocky Gap Golf Course and Hotel/Meeting Center Project) Series 2008 A, B, C and D under the Second Amended and Restated Trust Indenture dated as of December 1, 2008, by and between the Issuer and the Trustee (as amended and supplemented, the "Indenture") in order to refinance the costs of acquisition, construction and equipping of the Project (as defined in the Indenture) by refunding the Series 1996 Bonds (as defined in the Indenture).

The Issuer desires to amend the Indenture and has requested that the Trustee enter into this First Supplemental Indenture.

AGREEMENTS

NOW, THEREFORE, in consideration of the Recitals (which are a substantive part of this First Supplemental Indenture), the covenants of the parties, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree, promise and covenant as follows:

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

SECTION 1.01. Definitions. Terms used in this First Supplemental Indenture and not defined herein shall have the meanings given such terms in the Indenture unless the context clearly indicates otherwise. The Rules of Construction contained in Section 1.02 of the Indenture shall be applicable to this First Supplemental Indenture as if fully set forth herein.

ARTICLE II

AMENDMENTS TO INDENTURE

SECTION 2.01. Deposit of Revenues. Section 4.05(c) of the Indenture is deleted in its entirety and inserted in lieu thereof is the following:

"(c) The Trustee shall transfer moneys in the Revenue Fund on a weekly basis (or more frequently if requested by the Issuer) as follows and in the following order of priority:

FIRST: until all Issuer Advances (as defined in Section 4.19) and any other amounts due under Section 4.19 have been repaid or paid in full pursuant to Section 4.19, to make payments then due and payable in accordance with Section 4.19.

SECOND: until the Promissory Note has been paid in full, to make all payments then due and payable on the Promissory Note.

THIRD: to the Rebate Fund, promptly after receipt of written certification from the Issuer pursuant to Section 4.15(e), until the estimated Rebate Amount set forth in such certification is established.

FOURTH: to the Operating Expense Fund, until an amount equal to one-half of the monthly budgeted amount for Operating Expenses for such month as shown on the Budget has been deposited; provided, however, that with respect to any month, the Trustee shall not deposit in the Operating Expense Fund an amount in excess of the budgeted amount for Operating Expenses for such month.

FIFTH: to the Operating Reserve Fund, until the amount on deposit equals the Operating Reserve Fund Requirement.

SIXTH: to the Renewal and Replacement Fund, until an amount equal to the Renewal and Replacement Fund Requirement for the then current Fiscal Year has been deposited; provided, however, there shall be credited against the deposit required hereby any Hotel Rental Tax Revenue deposited in the Renewal and Replacement Fund pursuant to (h) below.

SEVENTH: to the Surplus Fund, any balance remaining in the Revenue Fund after the payments and deposits required by clauses **FIRST** through **SIXTH** have been made.”

SECTION 2.02. Issuer Advances. The following is added as new Section 4.19 to Article IV of the Indenture:

“Section 4.19 Issuer Advances. The Issuer, in its sole and absolute discretion, may make advances to the Trustee from time to time in order to pay Operating Expenses of the Property (each, an “Issuer Advance”), but only after all availability of funds under any line of credit evidenced by a Promissory Note has been exhausted and no further funds may be drawn thereunder. In no event shall the aggregate principal amount of Issuer Advances exceed \$650,000 at any one time outstanding. Any Issuer Advance shall bear interest at a rate per annum (computed on the basis of a 360-day year for the actual number of days elapsed) equal to (a) 8% or (b) upon the failure to pay any amount due hereunder within 3 days after the due date thereof (a “Failure to Pay”), the Penalty Rate (defined below). From and after the date of the first Issuer Advance, the Trustee shall make, but solely to the extent moneys are available therefor pursuant to clause **FIRST** of Section 4.05(c), monthly payments to the Issuer of accrued interest on the outstanding aggregate principal amount of all Issuer Advances, such payments to be made on the last Business Day of each calendar month (an “Advance Interest Payment Date”). In the event that any interest payment is not paid when due, such amount shall continue to accrue and shall be due on the next Advance Interest Payment Date. Notwithstanding anything to the contrary herein contained, the outstanding aggregate principal amount of all Issuer Advances

together with all accrued interest thereon shall be due and payable on December 31, 2011, unless the Trustee has received written notice from the Issuer that such date has been extended. All payments by the Trustee shall be made in lawful money of the United States of America, without offset and free and clear of any and all other defenses, offsets, claims, counterclaims, credits or deductions of any kind. Any Issuer Advance may be prepaid (together with all accrued and unpaid interest) in whole or in part at any time without premium or penalty. Each payment made with respect to an Issuer Advance shall be applied by the Issuer first to all reasonable costs and expenses (including, without limitation, reasonable attorneys' fees) incurred in connection with the collection of amounts due, second to all interest accrued as of the date of payment and then to the outstanding aggregate principal balance of Issuer Advances. For purposes of this Section 4.19, the term "Penalty Rate" shall mean 16% per annum. The Penalty Rate shall be in effect without notice immediately upon any Failure to Pay.

Upon a Failure to Pay or upon the occurrence of an Event of Default (as defined in the Promissory Note) and the acceleration of the maturity of the indebtedness outstanding under the Promissory Note, the entire outstanding principal amount of all Issuer Advances and all accrued and unpaid interest thereon shall, at the Issuer's election, be accelerated and shall be and become immediately due and payable without demand or notice and in addition thereto, and not in substitution therefor, the Issuer shall be entitled to exercise any one or more of the rights and remedies available to the Issuer under applicable law. No remedy is intended to be exclusive of any other remedy and each and every such remedy shall be cumulative and shall be in addition to any other remedy now or hereafter existing at law or in equity or by statute. No single or partial exercise by the Issuer of any right or remedy shall preclude any other or further exercise thereof and no delay or omission on the part of the Issuer to exercise any right or power shall impair any such right or power or shall be construed to be a waiver of any default or an acquiescence therein and any right, power and remedy of the Issuer may be exercised from time to time and as often as may be deemed expedient. Failure to exercise any right or remedy shall not constitute a waiver thereof or of any other rights or remedies or the right to exercise the same with respect to any subsequent event. The Trustee shall pay all reasonable costs and expenses (including, without limitation, reasonable attorneys' fees) incurred in connection with the collection of amounts due hereunder within 3 days of demand therefor.

The Trustee shall not make any prepayments of amounts due under the Promissory Note unless and until all Issuer Advances, accrued and unpaid interest and any costs of collection have been paid to the Issuer and no amounts hereunder remain to be paid to the Issuer.

Any payment hereunder coming due on a day that is not a Business Day shall be made on the next succeeding Business Day and any such extension of time of payment shall be included in the computation of interest hereunder."

Section 2.03. Borrowings. Section 7.11 of the Indenture is hereby deleted in its entirety and inserted in lieu thereof is the following:

“Section 7.11. Borrowings. The Issuer shall not create, incur, assume or suffer to exist any liability for borrowed money (including capital leases) in connection with the Property without the consent of the Required Holders and DBED, except the Series 2008 Bonds, Additional Bonds issued in accordance with Section 2.07, the Subordinated Debt, the Promissory Note and Issuer Advances.”

Section 2.04. Borrowings. Section 9.15(e) of the Indenture is hereby deleted in its entirety and inserted in lieu thereof is the following:

“(e) Notwithstanding any other provision contained herein, no payments shall be made of any principal, interest or premium on any Bonds until (i) all Issuer Advances have been repaid in full and any other amounts due under Section 4.19 have been paid and (ii) all payments then due and payable on the Promissory Note have been made. This provision, however, shall not restrict the payment of all amounts owing to the Trustee under this Indenture and the Deeds of Trust. The first sentence of this subsection (e) shall be of no force and effect unless an Issuer Advance or any other amount under Section 4.19 remains unpaid or a Promissory Note remains unpaid.”

Section 2.05. Special Applications of Money. Section 9.16 of the Indenture is hereby deleted in its entirety and inserted in lieu thereof is the following:

“Section 9.16. Special Applications of Money. Notwithstanding anything to the contrary contained in this Indenture or the Deeds of Trust, in the event that any holders of the Series 2008 Bonds take action that has the practical effect of causing the Project to close, all funds on deposit at that time with the Trustee and all Revenues in possession of the Management Company (which shall be promptly deposited with the Trustee) shall be applied in the following order:

1. Employment liabilities and related expenses in the manner prescribed by law;
2. Reimbursement of customer deposits;
3. Payment of accrued trade payables, including, without limitation, any accrued but unpaid expenses of the Management Company;
4. Payment of all Issuer Advances and any other amounts due and payable under Section 4.19; and
5. Payment of the Promissory Note.”

ARTICLE III
MISCELLANEOUS

SECTION 3.01. Counterparts. This First Supplemental Indenture may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same Indenture.

SECTION 3.02. Governing Law. The laws of the State shall govern the construction and enforcement of this First Supplemental Indenture.

SECTION 3.03. No Novation. Except as expressly amended herein, the Indenture continues in full force and effect. This First Supplemental Indenture shall not constitute a novation as to the obligations of the Issuer under the Series 2008 Bonds.

SECTION 3.04. Consent of Required Holders. The Issuer and the Trustee have received the consents of the Required Holders of the Series 2008 Bonds to this First Supplemental Indenture. In entering into this First Supplemental Indenture, the Trustee is relying on the accuracy of the certifications of ownership contained in such consents.


SECTION 3.05. Consent of DBED and Management Company. The consents of DBED and the Management Company to this First Supplemental Indenture are appended hereto.

IN WITNESS WHEREOF, the Issuer has caused this First Supplemental Indenture to be executed by its Executive Director and its official seal to be impressed hereon, and the Trustee has caused this First Supplemental Indenture to be executed in its behalf by one of its duly authorized officers and its corporate seal to be impressed hereon, all as of the day and year first above written.

[SEAL]



MARYLAND ECONOMIC DEVELOPMENT CORPORATION, as Issuer

By: 
Robert C. Brennan,
Executive Director

[SEAL]

MANUFACTURERS AND TRADERS TRUST COMPANY, as Trustee

ATTEST:

By: _____
Patrick J. Wood,
Vice President

Name:

Title:

IN WITNESS WHEREOF, the Issuer has caused this First Supplemental Indenture to be executed by its Executive Director and its official seal to be impressed hereon, and the Trustee has caused this First Supplemental Indenture to be executed in its behalf by one of its duly authorized officers and its corporate seal to be impressed hereon, all as of the day and year first above written.

[SEAL]

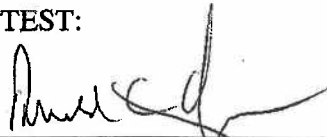
**MARYLAND ECONOMIC DEVELOPMENT
CORPORATION**, as Issuer

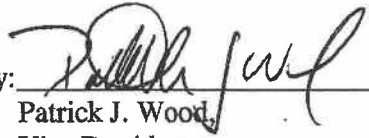
By: _____
Robert C. Brennan,
Executive Director

[SEAL]

**MANUFACTURERS AND TRADERS
TRUST COMPANY**, as Trustee

ATTEST:



Name: Donald C. Henderson
Title: Vice President

By: 
Patrick J. Wood,
Vice President

CONSENT OF DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT

The Department of Business and Economic Development hereby consents to the terms and provisions of the foregoing First Supplemental Indenture.

**DEPARTMENT OF BUSINESS AND
ECONOMIC DEVELOPMENT**

By: 
James L. Henry
Program Director, Office of Finance Programs

CONSENT OF MANAGEMENT COMPANY

Crestline Hotels and Resorts, Inc. hereby consents to the terms and provisions of the foregoing First Supplemental Indenture.

CRESTLINE HOTELS AND RESORTS, INC.

By: _____
James A. Carroll
President and CEO

CONSENT OF DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT

The Department of Business and Economic Development hereby consents to the terms and provisions of the foregoing First Supplemental Indenture.

**DEPARTMENT OF BUSINESS AND
ECONOMIC DEVELOPMENT**

By: _____
James L. Henry
Program Director, Office of Finance Programs

CONSENT OF MANAGEMENT COMPANY

Crestline Hotels and Resorts, Inc. hereby consents to the terms and provisions of the foregoing First Supplemental Indenture.

CRESTLINE HOTELS AND RESORTS, INC.

By: _____
James A. Carroll
President and CEO

\$17,000,000
MARYLAND ECONOMIC DEVELOPMENT CORPORATION
TAX-EXEMPT SECOND LIEN REFUNDING REVENUE BONDS
(ROCKY GAP GOLF COURSE AND HOTEL/MEETING CENTER PROJECT)
SERIES 2008 B
(the "Series 2008 B Bonds")

CONSENT TO FIRST SUPPLEMENTAL TRUST INDENTURE

Dated: January 14, 2011

The undersigned holders of a majority of the Series 2008 B Bonds issued pursuant to the Second Amended and Restated Trust Indenture dated as of December 1, 2008 by and between the Issuer and Manufacturers and Traders Trust Company, as Trustee (the "Trustee"), hereby consent to, and approve the execution and delivery of, the First Supplemental Trust Indenture in the form attached hereto as Exhibit A. This Consent shall be valid when signed by holders of more than \$8,500,000 of the Series 2008 B Bonds and the execution hereof by a holder shall constitute certification as to amount (set forth under the name of the holder) of the 2008 B Bonds held by such holder.

[SIGNATURES APPEAR ON THE FOLLOWING PAGES]

M.H. DAVIDSON & CO.
(\$345,000)

BY: M.H. Davidson & Co. GP, L.L.C., its general
partner

BY:

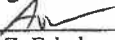


Avram Z. Friedman
Managing Member

DAVIDSON KEMPNER PARTNERS
(\$2,685,000)

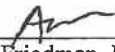
BY: MHD Management Co., its general partner,

BY: MHD Management Co. GP, L.L.C., its general partner,

BY: 
Avram Z. Friedman
Managing Member


**DAVIDSON KEMPNER INSTITUTIONAL
PARTNERS, L.P. (\$490,000)**

BY: Davidson Kempner Advisers Inc., its General Partner

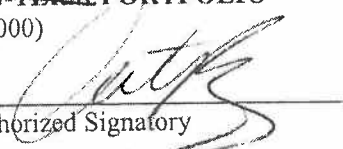
BY: 
Avram Z. Friedman, Principal

**DAVIDSON KEMPNER
INTERNATIONAL, LTD.**
(\$7,010,000)

BY: Davidson Kempner International Advisors, L.L.C., its
Investment Manager

BY: 
Avram Z. Friedman, Managing Member

CALVERT TAX-FREE RESERVES ~~BOND~~
~~LONG-TERM~~ PORTFOLIO
(\$245,000)

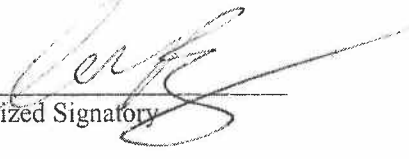
By: 
Authorized Signatory

Cathy Ray

**CALVERT SOCIAL INVESTMENT FUND
BALANCED PORTFOLIO (\$1,855,000)**

By: 
Authorized Signatory

**CVS CALVERT SOCIAL BALANCED
PORTFOLIO (\$370,000)**

By: 
Authorized Signatory

**MARYLAND DEPARTMENT OF
BUSINESS AND ECONOMIC
DEVELOPMENT (\$4,000,000)**

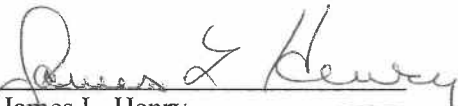
By: 
James L. Henry
Program Director, Office of Finance Programs

EXHIBIT A

FORM OF FIRST SUPPLEMENTAL TRUST INDENTURE

MARYLAND ECONOMIC DEVELOPMENT CORPORATION

AND

MANUFACTURERS AND TRADERS TRUST COMPANY
as Trustee

FIRST SUPPLEMENTAL TRUST INDENTURE

MARYLAND ECONOMIC DEVELOPMENT CORPORATION
REFUNDING REVENUE BONDS
(ROCKY GAP GOLF COURSE AND HOTEL/MEETING CENTER PROJECT)
SERIES 2008 A, B, C AND D

Dated January 14, 2011

FIRST SUPPLEMENTAL TRUST INDENTURE

THIS FIRST SUPPLEMENTAL TRUST INDENTURE (this "First Supplemental Indenture") is dated this 14th day of January, 2011, and is made and entered into by and between **MARYLAND ECONOMIC DEVELOPMENT CORPORATION**, a body politic and corporate and an instrumentality of the State of Maryland (the "Issuer"), and **MANUFACTURERS AND TRADERS TRUST COMPANY**, a New York banking corporation, as Trustee (the "Trustee").

RECITALS

Pursuant to and in accordance with Sections 10-101 through 10-131, inclusive, of the Economic Development Article of the Annotated Code of Maryland (the "Act"), the Issuer issued its Refunding Revenue Bonds (Rocky Gap Golf Course and Hotel/Meeting Center Project) Series 2008 A, B, C and D under the Second Amended and Restated Trust Indenture dated as of December 1, 2008, by and between the Issuer and the Trustee (as amended and supplemented, the "Indenture") in order to refinance the costs of acquisition, construction and equipping of the Project (as defined in the Indenture) by refunding the Series 1996 Bonds (as defined in the Indenture).

The Issuer desires to amend the Indenture and has requested that the Trustee enter into this First Supplemental Indenture.

AGREEMENTS

NOW, THEREFORE, in consideration of the Recitals (which are a substantive part of this First Supplemental Indenture), the covenants of the parties, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree, promise and covenant as follows:

ARTICLE I **DEFINITIONS AND RULES OF CONSTRUCTION**

SECTION 1.01. Definitions. Terms used in this First Supplemental Indenture and not defined herein shall have the meanings given such terms in the Indenture unless the context clearly indicates otherwise. The Rules of Construction contained in Section 1.02 of the Indenture shall be applicable to this First Supplemental Indenture as if fully set forth herein.

ARTICLE II **AMENDMENTS TO INDENTURE**

SECTION 2.01. Deposit of Revenues. Section 4.05(c) of the Indenture is deleted in its entirety and inserted in lieu thereof is the following:

"(c) The Trustee shall transfer moneys in the Revenue Fund on a weekly basis (or more frequently if requested by the Issuer) as follows and in the following order of priority:

FIRST: until all Issuer Advances (as defined in Section 4.19) and any other amounts due under Section 4.19 have been repaid or paid in full pursuant to Section 4.19, to make payments then due and payable in accordance with Section 4.19.

SECOND: until the Promissory Note has been paid in full, to make all payments then due and payable on the Promissory Note.

THIRD: to the Rebate Fund, promptly after receipt of written certification from the Issuer pursuant to Section 4.15(e), until the estimated Rebate Amount set forth in such certification is established.

FOURTH: to the Operating Expense Fund, until an amount equal to one-half of the monthly budgeted amount for Operating Expenses for such month as shown on the Budget has been deposited; provided, however, that with respect to any month, the Trustee shall not deposit in the Operating Expense Fund an amount in excess of the budgeted amount for Operating Expenses for such month.

FIFTH: to the Operating Reserve Fund, until the amount on deposit equals the Operating Reserve Fund Requirement.

SIXTH: to the Renewal and Replacement Fund, until an amount equal to the Renewal and Replacement Fund Requirement for the then current Fiscal Year has been deposited; provided, however, there shall be credited against the deposit required hereby any Hotel Rental Tax Revenue deposited in the Renewal and Replacement Fund pursuant to (h) below.

SEVENTH: to the Surplus Fund, any balance remaining in the Revenue Fund after the payments and deposits required by clauses **FIRST** through **SIXTH** have been made.”

SECTION 2.02. Issuer Advances. The following is added as new Section 4.19 to Article IV of the Indenture:

“Section 4.19 Issuer Advances. The Issuer, in its sole and absolute discretion, may make advances to the Trustee from time to time in order to pay Operating Expenses of the Property (each, an “Issuer Advance”), but only after all availability of funds under any line of credit evidenced by a Promissory Note has been exhausted and no further funds may be drawn thereunder. In no event shall the aggregate principal amount of Issuer Advances exceed \$650,000 at any one time outstanding. Any Issuer Advance shall bear interest at a rate per annum (computed on the basis of a 360-day year for the actual number of days elapsed) equal to (a) 8% or (b) upon the failure to pay any amount due hereunder within 3 days after the due date thereof (a “Failure to Pay”), the Penalty Rate (defined below). From and after the date of the first Issuer Advance, the Trustee shall make, but solely to the extent moneys are available therefor pursuant to clause **FIRST** of Section 4.05(c), monthly payments to the Issuer of accrued interest on the outstanding aggregate principal amount of all Issuer Advances, such payments to be made on the last Business Day of each calendar month (an “Advance Interest Payment Date”). In the event that any interest payment is not paid when due, such amount shall continue to accrue and shall be due on the next Advance Interest Payment Date. Notwithstanding anything to the contrary herein contained, the outstanding aggregate principal amount of all Issuer Advances

together with all accrued interest thereon shall be due and payable on December 31, 2011, unless the Trustee has received written notice from the Issuer that such date has been extended. All payments by the Trustee shall be made in lawful money of the United States of America, without offset and free and clear of any and all other defenses, offsets, claims, counterclaims, credits or deductions of any kind. Any Issuer Advance may be prepaid (together with all accrued and unpaid interest) in whole or in part at any time without premium or penalty. Each payment made with respect to an Issuer Advance shall be applied by the Issuer first to all reasonable costs and expenses (including, without limitation, reasonable attorneys' fees) incurred in connection with the collection of amounts due, second to all interest accrued as of the date of payment and then to the outstanding aggregate principal balance of Issuer Advances. For purposes of this Section 4.19, the term "Penalty Rate" shall mean 16% per annum. The Penalty Rate shall be in effect without notice immediately upon any Failure to Pay.

Upon a Failure to Pay or upon the occurrence of an Event of Default (as defined in the Promissory Note) and the acceleration of the maturity of the indebtedness outstanding under the Promissory Note, the entire outstanding principal amount of all Issuer Advances and all accrued and unpaid interest thereon shall, at the Issuer's election, be accelerated and shall be and become immediately due and payable without demand or notice and in addition thereto, and not in substitution therefor, the Issuer shall be entitled to exercise any one or more of the rights and remedies available to the Issuer under applicable law. No remedy is intended to be exclusive of any other remedy and each and every such remedy shall be cumulative and shall be in addition to any other remedy now or hereafter existing at law or in equity or by statute. No single or partial exercise by the Issuer of any right or remedy shall preclude any other or further exercise thereof and no delay or omission on the part of the Issuer to exercise any right or power shall impair any such right or power or shall be construed to be a waiver of any default or an acquiescence therein and any right, power and remedy of the Issuer may be exercised from time to time and as often as may be deemed expedient. Failure to exercise any right or remedy shall not constitute a waiver thereof or of any other rights or remedies or the right to exercise the same with respect to any subsequent event. The Trustee shall pay all reasonable costs and expenses (including, without limitation, reasonable attorneys' fees) incurred in connection with the collection of amounts due hereunder within 3 days of demand therefor.

The Trustee shall not make any prepayments of amounts due under the Promissory Note unless and until all Issuer Advances, accrued and unpaid interest and any costs of collection have been paid to the Issuer and no amounts hereunder remain to be paid to the Issuer.

Any payment hereunder coming due on a day that is not a Business Day shall be made on the next succeeding Business Day and any such extension of time of payment shall be included in the computation of interest hereunder."

Section 2.03. Borrowings. Section 7.11 of the Indenture is hereby deleted in its entirety and inserted in lieu thereof is the following:

“Section 7.11. Borrowings. The Issuer shall not create, incur, assume or suffer to exist any liability for borrowed money (including capital leases) in connection with the Property without the consent of the Required Holders and DBED, except the Series 2008 Bonds, Additional Bonds issued in accordance with Section 2.07, the Subordinated Debt, the Promissory Note and Issuer Advances.”

Section 2.04. Borrowings. Section 9.15(e) of the Indenture is hereby deleted in its entirety and inserted in lieu thereof is the following:

“(e) Notwithstanding any other provision contained herein, no payments shall be made of any principal, interest or premium on any Bonds until (i) all Issuer Advances have been repaid in full and any other amounts due under Section 4.19 have been paid and (ii) all payments then due and payable on the Promissory Note have been made. This provision, however, shall not restrict the payment of all amounts owing to the Trustee under this Indenture and the Deeds of Trust. The first sentence of this subsection (e) shall be of no force and effect unless an Issuer Advance or any other amount under Section 4.19 remains unpaid or a Promissory Note remains unpaid.”

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1. Employment liabilities and related expenses in the manner prescribed by law;
2. Reimbursement of customer deposits;
3. Payment of accrued trade payables, including, without limitation, any accrued but unpaid expenses of the Management Company;
4. Payment of all Issuer Advances and any other amounts due and payable under Section 4.19; and
5. Payment of the Promissory Note.”

ARTICLE III

MISCELLANEOUS

SECTION 3.01. Counterparts. This First Supplemental Indenture may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same Indenture.

SECTION 3.02. Governing Law. The laws of the State shall govern the construction and enforcement of this First Supplemental Indenture.

SECTION 3.03. No Novation. Except as expressly amended herein, the Indenture continues in full force and effect. This First Supplemental Indenture shall not constitute a novation as to the obligations of the Issuer under the Series 2008 Bonds.

SECTION 3.04. Consent of Required Holders. The Issuer and the Trustee have received the consents of the Required Holders of the Series 2008 Bonds to this First Supplemental Indenture. In entering into this First Supplemental Indenture, the Trustee is relying on the accuracy of the certifications of ownership contained in such consents.

SECTION 3.05. Consent of DBED and Management Company. The consents of DBED and the Management Company to this First Supplemental Indenture are appended hereto.

IN WITNESS WHEREOF, the Issuer has caused this First Supplemental Indenture to be executed by its Executive Director and its official seal to be impressed hereon, and the Trustee has caused this First Supplemental Indenture to be executed in its behalf by one of its duly authorized officers and its corporate seal to be impressed hereon, all as of the day and year first above written.

[SEAL]

**MARYLAND ECONOMIC DEVELOPMENT
CORPORATION**, as Issuer

By: _____
Robert C. Brennan,
Executive Director

[SEAL]

**MANUFACTURERS AND TRADERS
TRUST COMPANY**, as Trustee

ATTEST:

By: _____
Patrick J. Wood,
Vice President

Name:
Title:

CONSENT OF DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT

The Department of Business and Economic Development hereby consents to the terms and provisions of the foregoing First Supplemental Indenture.

**DEPARTMENT OF BUSINESS AND
ECONOMIC DEVELOPMENT**

By: _____
James L. Henry
Program Director, Office of Finance Programs

CONSENT OF MANAGEMENT COMPANY

Crestline Hotels and Resorts, Inc. hereby consents to the terms and provisions of the foregoing First Supplemental Indenture.

CRESTLINE HOTELS AND RESORTS, INC.

By: _____
James A. Carroll
President and CEO

MILES & STOCKBRIDGE P.C.

January 14, 2011

Maryland Economic Development Corporation
Baltimore, Maryland

The Entities Listed on Exhibit A

Manufacturers and Traders Trust Company,
as Trustee
Baltimore, Maryland

We acted as bond counsel in connection with the issuance by the Maryland Economic Development Corporation, a body politic and corporate and an instrumentality of the State of Maryland (the "Issuer"), of its \$45,242,100.28 Maryland Economic Development Corporation Refunding Revenue Bonds (Rocky Gap Golf Course and Hotel/Meeting Center Project), Series 2008 A, B, C and D (the "Bonds"). The Bonds were issued under a Second Amended and Restated Trust Indenture dated as of December 1, 2008 (the "Indenture") by and between the Issuer and Manufacturers and Traders Trust Company, as Trustee (the "Trustee"). The Issuer has requested that the Trustee enter in a First Supplemental Trust Indenture of even date herewith (the "First Supplemental Indenture"). As bond counsel, we have been requested to deliver an opinion with respect to the First Supplemental Indenture.

We have examined the law and such other papers as we have deemed necessary to render this opinion. Unless the context clearly indicates otherwise, each capitalized term used in this opinion shall have the same meaning as set forth in the Indenture. We do not express any opinion herein concerning any law other than the law of the State and the federal law of the United States of America.

We have made no investigation since our original Bond Counsel Opinion dated the date of issuance and delivery of the Bonds as to whether interest on the Series 2008 B Bonds is excludable from gross income for purposes of federal income taxation.

Based upon, and subject to, the foregoing, on the basis of existing law and having regard to legal questions that are deemed relevant, it is our opinion, as of the date hereof, that:

(1) The First Supplemental Indenture is permitted by the Indenture and the Act, complies with their respective terms and is valid and binding upon the Issuer in accordance with its terms.

(2) Assuming that interest on the Series 2008 B Bonds is excludable from gross income for purposes of federal income taxation as of the date hereof, the First Supplemental Indenture will not adversely affect (x) the exclusion of the interest payable on the Series 2008 B

MILES & STOCKBRIDGE P.C.

Bonds from the gross income of the Holders thereof for purposes of federal income taxation pursuant to Section 103 of the Code, or (y) the exemption of the Bonds from state, county and municipal taxation in the State.

The enforceability of the First Supplemental Indenture may be subject to (i) the exercise of judicial discretion in accordance with general principles of equity (whether applied by a court of law or a court of equity), including judicial limitations on rights to specific performance; (ii) the valid exercise of the constitutional powers of the United States of America and of the sovereign police and taxing powers of state or other governmental units having jurisdiction; and (iii) bankruptcy, insolvency, reorganization, moratorium or other similar laws heretofore or hereafter in effect affecting creditors' rights generally, to the extent constitutionally applicable.

No one other than you may rely upon this opinion without our express written consent.

Very truly yours,

MILES & STOCKBRIDGE P.C.

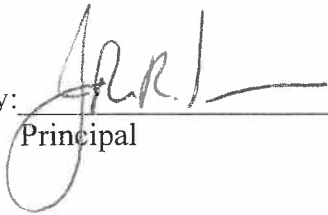
By: 
Principal

EXHIBIT A

LIST OF ENTITIES

M.H. Davidson & Co.

Davidson Kempner Partners

Davidson Kempner Institutional Partners, L.P.

Davidson Kempner International Limited

New York, New York

Calvert Tax-Free Reserves Long-Term Portfolio

Calvert Social Investment Fund Balanced Portfolio

CVS Calvert Social Balanced Portfolio

Bethesda, Maryland

Maryland Department of Business and Economic Development

Baltimore, Maryland

MARYLAND ECONOMIC DEVELOPMENT CORPORATION

BOARD OF DIRECTORS

RESOLUTIONS

ROCKY GAP LODGE AND GOLF RESORT

WHEREAS, the Rocky Gap Lodge and Golf Resort (the "Project") is owned by the Maryland Economic Development Corporation ("MEDCO"); and

WHEREAS, the Project needs a seasonal line of credit to support working capital requirements; and

WHEREAS, the Project continues to provide good jobs with benefits and an economic stimulus to the Western Maryland region; and

WHEREAS, the Project continues to attract Marylanders and others to it; and

WHEREAS, it is in the interest of MEDCO, the investors, the State of Maryland, and others to ensure the continued operation of the Project; and

WHEREAS, MEDCO has requested Crestline to provide a line of credit to MEDCO up to \$750,000 for working capital and MEDCO at its option may decide to provide such line under the following conditions:

1. Execution by MEDCO of a Promissory Note in an amount up to \$750,000 (the "Working Capital Note"), which

a. matures on December 31, 2011, and

b. bears interest rate at a *per annum* rate pre-default of up to 9%; and

2. Subordination by the investors and lenders (Davidson Kempner, Calvert Tax Free Reserves Long Term Portfolio, Calvert Social Investment Fund Balanced Portfolio, and CVS Social Balanced Portfolio (collectively, "Calvert"), Maryland Industrial Development Financing Authority ("MIDFA") and the Department of Business and Economic Development ("DBED") of repayment of their Bonds and all loans from DBED to the repayment of the Working Capital Note, which payment shall be solely from revenues of the Project; and

NOW THEREFORE BE IT RESOLVED, that MEDCO is hereby authorized to enter into various legal documents to consummate the transactions described herein, including, without limitation, the Working Capital Note, a Supplemental Trust Indenture and an Intercreditor Agreement (the "Documents") in order to secure funds needed for the Project; and

RESOLVED, the Working Capital Note if extended by Crestline shall be a nonrecourse obligation of MEDCO, the principal and interest on which shall be payable solely from revenues derived from the Project; and

RESOLVED, that the Executive Director of MEDCO, acting on behalf of and in the name of MEDCO, is hereby authorized to (1) execute and deliver, and where required, seal the Working Capital Note and the other Documents, (2) take any and all actions that in the sole and absolute discretion of the Executive Director may be necessary, appropriate, convenient or desirable in connection with the transactions described herein, and (3) execute and deliver, and where required, seal any and all other documents, instruments, certificates and other papers that, in the sole and absolute discretion of the Executive Director of MEDCO, may be necessary, appropriate, convenient or desirable in connection with the transactions described herein; and

RESOLVED, that all the actions of MEDCO and its officers, employees and agents for and on behalf of MEDCO heretofore taken in connection with the transactions described herein are hereby ratified, confirmed and adopted.

ADOPTED this 18th day of October, 2010.



Robert C. Brennan
Executive Director