**NEW ISSUE — BOOK-ENTRY ONLY** **Moody's: A3**

*In the opinion of McGuireWoods LLP, Bond Counsel, under existing law and subject to the conditions described in "TAX MATTERS" herein, interest on the 2024 Bonds (i) is excludable from the gross income of the owners of the 2024 Bonds for purposes of federal income taxation, and (ii) is not a specific item of tax preference for purposes of the federal alternative minimum tax on individuals. However, such interest is included in the "adjusted financial statement income" (as defined in Section 56A of the Code) of certain corporations in determining the applicability and amount of the federal corporate alternative minimum tax imposed under Section 55(b) of the Code. Bond Counsel is further of the opinion that by the current terms of the Acts (as defined herein), the principal of and interest on the 2024 Bonds, the transfer of the 2024 Bonds, and any income derived from the 2024 Bonds, including profits made in their sale or transfer, are exempt from State and local taxes in the State of Maryland; however, the terms of the Acts do not expressly refer to, and no opinion is expressed concerning, estate or inheritance taxes or any other taxes not levied or assessed directly on the 2024 Bonds, the interest thereon, their transfer or the income therefrom. See "TAX MATTERS" herein regarding other tax considerations.*

Howard County MARYLAND

# $15,640,000
# HOWARD COUNTY, MARYLAND
## SPECIAL OBLIGATION REFUNDING BONDS
## (ANNAPOLIS JUNCTION TOWN CENTER PROJECT)
## 2024 SERIES

**Dated: Date of Issue** **Due: As shown on inside cover**

Howard County, Maryland (the "County") is issuing its Special Obligation Refunding Bonds (Annapolis Junction Town Center Project), 2024 Series (the "2024 Bonds"), which are special obligations of the County payable solely from and secured by a pledge of Tax Increment Revenues (as defined herein) and Special Tax Revenues (as defined herein) established under an Amended and Restated Indenture of Trust, dated as of June 1, 2024 (the "Indenture"), by and between the County and Manufacturers and Traders Trust Company, a New York banking corporation, as trustee (the "Trustee"), and certain other amounts held by the Trustee pursuant to the provisions of the Indenture. The 2024 Bonds are being issued to (i) refund all of the County's outstanding 2014 Bonds (defined herein) and (ii) pay certain costs relating to the issuance of the 2024 Bonds. The 2014 Bonds were issued to finance certain public infrastructure improvements related to the Annapolis Junction Town Center Development District (the "Development District") and the Annapolis Junction Town Center Special Taxing District (the "Special Taxing District" and, collectively with the Development District, the "District"), as described herein. **The 2024 Bonds are subject to optional, mandatory sinking fund and extraordinary optional redemption as described herein.** For an aerial view of the District, please visit https://www.youtube.com/watch?v=U2NeZIoDB2Q. The foregoing link is provided for informational purposes only and the link may expire at any time. The aerial view only represents a snapshot of the District as of April 15, 2024, and updated aerial footage of the District will not be provided via the link.

Interest on the 2024 Bonds is payable on February 15 and August 15 of each year, commencing August 15, 2024. The 2024 Bonds are being issued in fully registered book-entry form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Beneficial owners of the 2024 Bonds will not receive physical certificates representing their interests in the 2024 Bonds purchased, but will receive a credit balance on the books of the nominees of such beneficial owners. The 2024 Bonds will be issued in authorized denominations of $5,000 or any integral multiple thereof (referred to herein as the "Authorized Denominations"). THE INDENTURE PROHIBITS THE SALE OR PURCHASE OF 2024 BONDS OTHER THAN IN THE AUTHORIZED DENOMINATIONS. Payments of principal of and interest on the 2024 Bonds will be paid by the Trustee to DTC or its nominee for subsequent disbursement to DTC Participants who will remit such payment to the beneficial owners of the 2024 Bonds. See "THE 2024 BONDS — Book-Entry System" herein.

**NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COUNTY, THE STATE, OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE 2024 BONDS, EXCEPT FOR THE TAX INCREMENT REVENUES AND THE SPECIAL TAX REVENUES. LIKEWISE, EXCEPT FOR THE TAX INCREMENT REVENUES AND THE SPECIAL TAX REVENUES, NO OTHER TAXES OR ASSESSMENTS ARE PLEDGED TO THE PAYMENT OF THE 2024 BONDS. THE 2024 BONDS ARE NOT GENERAL OBLIGATIONS OF THE COUNTY, BUT ARE SPECIAL OBLIGATIONS OF THE COUNTY PAYABLE SOLELY FROM CERTAIN AMOUNTS DEPOSITED IN THE TAX INCREMENT FUND, THE SPECIAL TAXES FUND, THE SERIES 2024 DEBT SERVICE FUND AND THE SERIES 2024 DEBT SERVICE RESERVE FUND, AS MORE FULLY DESCRIBED HEREIN.**

**THE PURCHASE OF THE 2024 BONDS IS AN INVESTMENT SUBJECT TO A HIGH DEGREE OF RISK, INCLUDING THE RISK OF NONPAYMENT OF PRINCIPAL AND INTEREST. SEE "RISK FACTORS" HEREIN FOR A DISCUSSION OF SUCH FACTORS THAT SHOULD BE CONSIDERED, IN ADDITION TO THE OTHER MATTERS SET FORTH HEREIN, IN EVALUATING THE INVESTMENT QUALITY OF THE 2024 BONDS.**

The 2024 Bonds are offered for delivery when, as and if issued by the County and accepted by the Underwriter, subject to prior sale, withdrawal or modification of the offer without notice and the receipt of an opinion of McGuireWoods LLP, Baltimore, Maryland, Bond Counsel, as to the validity of the 2024 Bonds and the excludability from gross income of interest thereon for federal income tax purposes. Certain legal matters will be passed upon for the Underwriter by Miles & Stockbridge P.C., for the County by the County Solicitor and McGuireWoods LLP, as Disclosure Counsel, and for Annapolis Junction Town Center, LLC, the developer of property within the District, by Thomas & Libowitz, P.A., Baltimore, Maryland. It is expected that the 2024 Bonds will be available for delivery on or about June 27, 2024.

This cover page contains information for quick reference only. It is not a summary of the Official Statement. Investors must read the entire Official Statement to obtain information essential to the making of an informed decision.

Mesirow

June 13, 2024

**$15,640,000**
**HOWARD COUNTY, MARYLAND**
**SPECIAL OBLIGATION REFUNDING BONDS**
**(ANNAPOLIS JUNCTION TOWN CENTER PROJECT)**
**2024 SERIES**

**MATURITY SCHEDULE**

| Maturity Date (February 15) | Principal Amount | Interest Rate | Price | CUSIP* |
|---|---|---|---|---|
| 2025 | $ 595,000 | 5.000% | 100.658 | 442599 AH9 |
| 2026 | 285,000 | 5.000% | 101.799 | 442599 AJ5 |
| 2027 | 325,000 | 5.000% | 103.051 | 442599 AK2 |
| 2028 | 365,000 | 5.000% | 104.342 | 442599 AL0 |
| 2029 | 410,000 | 5.000% | 105.571 | 442599 AM8 |
| 2030 | 455,000 | 5.000% | 106.708 | 442599 AN6 |
| 2031 | 510,000 | 5.000% | 107.824 | 442599 AP1 |
| 2032 | 560,000 | 5.000% | 108.919 | 442599 AQ9 |
| 2033 | 615,000 | 5.000% | 109.314** | 442599 AR7 |
| 2034 | 675,000 | 5.000% | 109.314** | 442599 AS5 |
| 2035 | 735,000 | 5.000% | 109.153** | 442599 AT3 |
| 2036 | 800,000 | 5.000% | 108.938** | 442599 AU0 |
| 2037 | 870,000 | 5.000% | 108.670** | 442599 AV8 |
| 2038 | 950,000 | 5.000% | 108.136** | 442599 AW6 |
| 2039 | 1,025,000 | 5.000% | 107.796*** | 442599 AX4 |

**$6,465,000 5.000% Term Bonds Due February 15, 2044 Price 105.738**** CUSIP* 442599 AY2**

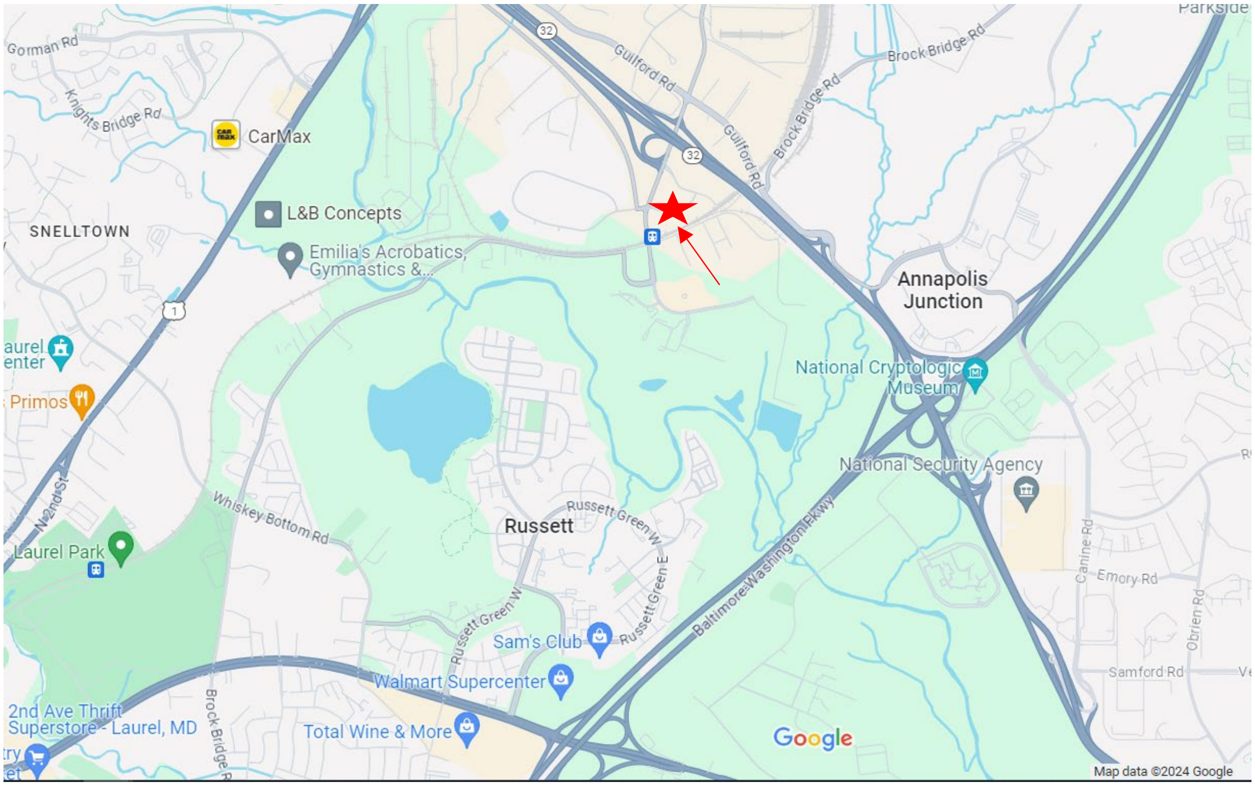
* CUSIP is a registered trademark of the American Bankers Association. CUSIP data contained herein is provided by CUSIP Global Services is managed on behalf of The American Bankers Association by FactSet Research Systems, Inc. CUSIP numbers have been assigned by an independent company not affiliated with the Underwriter or the County, and are included solely for the convenience of the holders of the 2024 Bonds. No representation is made as to the correctness of the CUSIP number either as printed on the 2024 Bonds or as contained herein. No assurance can be given that the CUSIP numbers for the 2024 Bonds will remain the same after the date of issuance and delivery of the 2024 Bonds. Neither the County nor the Underwriter take any responsibility for the accuracy of CUSIP numbers, which are included solely for the convenience of owners of the 2024 Bonds.

** Priced to the first optional redemption date of February 15, 2030.

*** Priced to the optional redemption date of February 15, 2031.

**** Priced to the optional redemption date of February 15, 2033.

## LOCAL MAP – STREET VIEW



Source: Google Maps

# LOCAL MAP - AERIAL VIEW


**No dealer, broker, salesman or other person has been authorized by the County or by the Underwriter 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 by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2024 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been furnished by sources that are believed to be reliable but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriter. The information and expressions of opinion herein speak only as of the date hereof and are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the information contained herein since the date hereof.**

**The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of its responsibilities to investors under, the United States 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. The information and expressions of opinion herein contained are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder, shall, under any circumstances, create any implication that there has been no change in the affairs of the County or the Developer since the date hereof.**

**IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2024 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT NOTICE.**

**THE 2024 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE 2024 BONDS UNDER THE SECURITIES LAWS OF ANY JURISDICTIONS IN WHICH THEY MAY HAVE BEEN REGISTERED OR QUALIFIED, IF ANY, SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THE STATE, THE COUNTY, NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE 2024 BONDS.**

**THE COUNTY HAS PROVIDED INFORMATION FOR OR REVIEWED THE FOLLOWING SECTIONS OF THIS OFFICIAL STATEMENT: "INTRODUCTION — The District," "— Use of Proceeds," "— Authority for Creation of the District, Issuance of Bonds and Levy of Special Taxes," "— Enforcement of Taxes; Direct and Overlapping Taxes," "THE COUNTY," "THE 2024 BONDS — Sources and Uses of Funds," "SECURITY FOR THE 2024 BONDS — Property Tax Collection Procedures," "— Assessment Procedures," "THE DEVELOPMENT DISTRICT, THE SPECIAL TAXING DISTRICT AND DISTRICT TAX REVENUES — The Development District and Special Taxing District," "LITIGATION" AS IT RELATES TO THE COUNTY AND "CONTINUING DISCLOSURE" AS IT RELATES TO THE COUNTY. THE COUNTY HAS NOT PASSED UPON THE ACCURACY OR COMPLETENESS OF THE REMAINING SECTIONS OF THIS OFFICIAL STATEMENT. NEITHER THE STATE NOR ANY OF ITS AGENCIES HAVE PASSED UPON THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. THE TRUSTEE HAS NEITHER PARTICIPATED IN THE PREPARATION OF, NOR REVIEWED, THIS OFFICIAL STATEMENT.**

**CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS OFFICIAL STATEMENT CONSTITUTE "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE UNITED STATES PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995, SECTION 21E OF THE UNITED STATES SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AND SECTION 27A OF THE SECURITIES ACT. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE TERMINOLOGY USED SUCH AS "PLAN," "EXPECT," "ESTIMATE," "PROJECT," "ANTICIPATE," "BUDGET" OR OTHER SIMILAR WORDS.**

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APPENDIX E Proposed Form of Developer's Continuing Disclosure Agreement
APPENDIX F Proposed Form of County's Continuing Disclosure Agreement

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## OFFICIAL STATEMENT

**$15,640,000**
**HOWARD COUNTY, MARYLAND**
**SPECIAL OBLIGATION REFUNDING BONDS**
**(Annapolis Junction Town Center Project)**
**2024 Series**

## INTRODUCTION

This Official Statement, including the cover page and the Appendices hereto, is provided to furnish information in connection with the issuance and sale of $15,640,000 aggregate principal amount of Howard County, Maryland Special Obligation Refunding Bonds (Annapolis Junction Town Center Project), 2024 Series (the "2024 Bonds"). The 2024 Bonds will be issued pursuant to the provisions of (i) Sections 12-201 through 12-213, inclusive, of the Economic Development Article of the Annotated Code of Maryland, as amended (the "Tax Increment Financing Act"); (ii) Sections 21-501 through 21-523, inclusive, of the Local Government Article of the Annotated Code of Maryland, as amended (the "Special Taxing District Act" and together with the Tax Increment Financing Act, the "Acts"); (iii) Section 19-207 of the Local Government Article of the Annotated Code of Maryland, as amended; (iv) Resolution No. 14-2009 adopted by the County Council of Howard County, Maryland (the "County Council") on May 4, 2009, as amended by Resolution No. 40-2011 adopted on May 2, 2011 and as further amended by Resolution No. 10-2013 adopted on February 4, 2013 (as amended, the "Resolution"); (v) Council Bill No. 21¬2009 enacted by the County Council on May 4, 2009, as amended by Council Bill No. 14-2011 enacted on May 2, 2011, and as further amended by Council Bill No. 5-2013 enacted on February 4, 2013 (as amended, the "Ordinance"); (vi) Council Bill No. 1-2024 enacted by the County Council on February 5, 2024 (the "Refunding Bond Ordinance" and, collectively with the Resolution and Ordinance, the "Authorizing Legislation"); and (vii) the Indenture of Trust dated as of March 1, 2014 (the "Original Indenture"), as amended and restated by the Amended and Restated Indenture of Trust dated as of June 1, 2024 (the "Indenture") by and between the County and Manufacturers and Traders Trust Company, a New York banking corporation, as trustee (the "Trustee").

On March 11, 2014, the County issued its Special Obligation Bonds (Annapolis Junction Town Center Project) 2014 Series in the aggregate principal amount of $17,000,000 (the "2014 Bonds") pursuant to the Authorizing Legislation and Original Indenture dated March 1, 2014, by and between the County and the Trustee. The 2014 Bonds financed a MARC public parking facility and certain public infrastructure improvements to benefit the Development District (described herein). The 2024 Bonds will refund all of the outstanding 2014 Bonds. As of March 1, 2024, the outstanding par amount of the 2014 Bonds was $16,145,000.

The 2024 Bonds will be issued as fully registered bonds in book-entry form in denominations of $5,000 or any integral multiple thereof (referred to herein as the "Authorized Denominations"). See "THE 2024 BONDS — Authorized Denominations" and "RATING" herein.

The 2024 Bonds will be secured: (i) by the proceeds of tax collections by the County, arising from the taxation of the increase, if any, in the assessed value of real property located in the Annapolis Junction Town Center Development District (the "Development District") over an original taxable value, exclusive of amounts payable to the State of Maryland (the "Tax Increment Revenues") and (ii) to the extent the Tax Increment Revenues are insufficient, proceeds of certain special taxes (the "Special Tax") to be levied on and collected from the taxable parcels within the Annapolis Junction Town Center Special Taxing District (the "Special Tax Revenues"). The Tax Increment Revenues and the Special Tax Revenues are collectively referred to as the "District Tax Revenues." The Special Tax will be collected in any given year only if the Tax Increment Revenues and earnings on amounts on deposit in the Series 2024 Debt Service Reserve Fund are insufficient to (i) cover debt service on the 2024 Bonds, (ii) pay the administrative costs related to the 2024 Bonds and the District (as defined herein) and (iii) maintain any applicable funds under the Indenture. The 2024 Bonds are also secured by certain funds held by the Trustee under the Indenture as hereinafter described. See "SECURITY FOR THE 2024 BONDS" herein.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COUNTY, THE STATE, OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE 2024 BONDS, EXCEPT FOR THE TAX INCREMENT REVENUES AND THE SPECIAL TAX REVENUES. LIKEWISE, EXCEPT FOR THE TAX INCREMENT REVENUES AND THE SPECIAL TAX REVENUES, NO OTHER TAXES OR ASSESSMENTS ARE

PLEDGED TO THE PAYMENT OF THE 2024 BONDS. THE 2024 BONDS ARE NOT GENERAL OBLIGATIONS OF THE COUNTY, BUT ARE SPECIAL OBLIGATIONS OF THE COUNTY PAYABLE SOLELY FROM CERTAIN AMOUNTS DEPOSITED IN THE TAX INCREMENT FUND, THE SPECIAL TAXES FUND, THE SERIES 2024 DEBT SERVICE FUND AND THE SERIES 2024 DEBT SERVICE RESERVE FUND, AS MORE FULLY DESCRIBED HEREIN. SEE "SECURITY FOR THE 2024 BONDS" HEREIN.

Capitalized terms not otherwise defined herein shall have the meanings as set forth in "APPENDIX C —Proposed Form of Indenture" hereto and otherwise as set forth in the Indenture (except that terms not otherwise defined under the heading "THE DEVELOPMENT DISTRICT, THE SPECIAL TAXING DISTRICT AND DISTRICT TAX REVENUES — Rate and Method of Apportionment of Special Taxes" herein are as defined in the Rate and Method, as defined below).

**The District**

The Authorizing Legislation established (i) the Development District as a "development district" pursuant to the Tax Increment Financing Act and (ii) the Annapolis Junction Town Center Special Taxing District (the "Special Taxing District") as a "special taxing district" pursuant to the Special Taxing District Act. The Development District and the Special Taxing District are coterminous and are collectively referred to herein as the "District."

The Development is a transit-oriented development and a mixed-use project located at the Maryland Area Regional Commuter ("MARC") Savage Commuter Rail Station (the "Savage MARC Station") on an approximately 18.83-acre site (the "Site"). The Site is coterminous with the District. The Development is approximately 20 miles from downtown Baltimore and approximately 25 miles from downtown Washington, D.C. The Development is located approximately 15 minutes from the Baltimore/Washington International Thurgood Marshall Airport which served approximately 63,000 passengers per day across 634 flights per day in 2022. The Development is located in the southeastern part of Howard County, Maryland, and is bounded by Dorsey Run Road on the west, Henkel Lane on the northeast, and the CSX rail property and the Anne Arundel County boundary on the South. See "ANNAPOLIS JUNCTION TOWN CENTER DEVELOPMENT" herein.

**The Developer; The Development**

Annapolis Junction Town Center, LLC (the "Developer"), a Maryland limited liability company, is the developer of Annapolis Junction Town Center (the "Development"). The Developer is a single-purpose entity created for the purpose of owning the property within the Development and developing, operating, managing and financing the Development. See "ANNAPOLIS JUNCTION TOWN CENTER DEVELOPMENT — The Developer" herein.

The Developer has developed the Site as a mixed-use development comprised of (a) a residential apartment structure known as The Residences at Annapolis Junction with 416 apartment units and 624 structured parking spaces (the "Residential Structure"), (b) approximately 100,000 square feet of Class A office space (the "Office Structure"), (c) approximately 5,400 square feet of in-line retail space (the "Retail Structure"), (d) a structured parking garage with 575 spaces (the "Commercial Garage Structure") and (e) a 704-space MARC commuter parking garage (the "Commuter Parking Garage"). See "ANNAPOLIS JUNCTION TOWN CENTER DEVELOPMENT — The Development" herein for a more detailed description of the Development.

**Use of Proceeds**

A portion of the proceeds of the 2024 Bonds will be used to (i) refund all of the County's outstanding 2014 Bonds and (ii) pay certain costs relating to the issuance of the 2024 Bonds. See "THE 2024 BONDS — Sources and Uses of Funds" herein.

**Tax Increment and Special Tax Report**

MuniCap, Inc. prepared the Annapolis Junction Town Center Development District and Special Taxing District Tax Increment and Special Tax Report dated June 19, 2024 (the "Tax Increment and Special Tax Report"), regarding the current and projected receipts of Tax Increment Revenues and Special Tax Revenues for the District. The Tax Increment and Special Tax Report estimates Tax Increment Revenues and Special Tax Revenues under three scenarios:

i. Scenario A – Base Scenario
- Existing development valuation is based on actual assessed values of January 1, 2023 (with such values fully phased in for the tax year beginning July 1, 2025).
- Property values appreciate at 2% annually.

ii. Scenario B – Future Development Scenario
- Existing development valuation is based on actual assessed values of January 1, 2023 (with such values fully phased in for the tax year beginning July 1, 2025).
- Future development valuation is based on assessed values of comparable properties at stabilization (with such values fully phased in for the tax year beginning July 1, 2031).
- Property values appreciate at 2% annually.

iii. Scenario C – Existing Development, No Appreciation
- Existing development valuation is based on actual assessed values of January 1, 2023 (with such values fully phased in for the tax year beginning July 1, 2025).
- Property values, once stabilized, do not increase with appreciation.

*Projected Incremental Value*

The table below provides projected total and incremental assessed value for the Development District for the bond year ending February 15, 2044, representing the year of projected maximum annual debt service.

**TABLE I-A**

**Projected Assessed Values – Annapolis Junction Town Center Development District**

| Scenario | Projected Value[(a)] | Base Value[(b)] | Incremental Value |
|---|---|---|---|
| Scenario A | $201,406,332 | ($1,608,000) | $199,798,332 |
| Scenario B | $338,790,947 | ($1,608,000) | $337,182,947 |
| Scenario C | $141,320,900 | ($1,608,000) | $139,712,900 |

[(a)]Based on projected assessed value as of January 1, 2043, for tax year beginning July 1, 2043, payable towards debt service in the bond year ending February 15, 2044.
[(b)]Represents the certified base value as certified by SDAT.

*Projected Tax Increment Revenues*

Under the Tax Increment and Special Tax Report, the projected assessed values displayed in Table I-A are the basis for estimating the Tax Increment Revenues. The projected Tax Increment Revenues under each scenario are shown in the table below.

**TABLE I-B**

**Projected Tax Increment Revenues – Annapolis Junction Town Center Development District**

| Scenario | Projected Tax Increment Revenues at Maximum Annual Debt Service[(a)] | Cumulative Through Bond Year 2044 |
|---|---|---|
| Scenario A | $2,015,825 | $33,525,172 |
| Scenario B | $3,401,940 | $52,675,430 |
| Scenario C | $1,409,605 | $28,088,526 |

(a)Based on projected assessed value as of January 1, 2043, for tax year beginning July 1, 2043, payable towards debt service in bond year ending February 15, 2044.

*Projected Debt Service Coverage*

The total principal amount of the 2024 Bonds is $15,640,000, resulting in $1,527,250 of scheduled debt service in the bond year ending February 15, 2044 (the year of scheduled maximum annual debt service). Including projected Administrative Expenses, projected net annual debt service in that same year is $1,607,347. The table below estimated debt service coverage resulting from Tax Increment Revenues generated within the Development District in this year. Coverage tables herein reflect net debt service.†

**TABLE I-C**

**Debt Service Coverage on 2024 Bonds from Projected Tax Increment Revenues**
**(Bond Year Ending February 15, 2044)**

| Scenario | Tax Increment Revenues at Maximum Annual Debt Service | Total Bonds Debt Service[b] | Total Bonds Coverage |
|---|---|---|---|
| Scenario A | $2,015,825 | $1,607,347 | 125.41% |
| Scenario B | $3,401,940 | $1,607,347 | 211.65% |
| Scenario C | $1,409,605 | $1,607,347 | 87.70% |

[a]Based on projected assessed value as of January 1, 2043, for tax year beginning July 1, 2043, payable towards debt service in the bond year ending February 15, 2044.
[b]Source: Mesirow Financial, Inc. Net annual debt service includes gross scheduled debt service plus projected administrative expenses.

As shown in the table above, under Scenarios A and B, Tax Increment Revenues are projected to be sufficient to pay debt service on the 2024 Bonds in the year of maximum annual debt service. Under Scenario C, which does not contemplate future development or appreciation for existing development, Tax Increment Revenues are not projected to pay debt service in full on the 2024 Bonds.

The table below shows the projected cumulative Special Tax Revenues to be collected through maturity of the 2024 Bonds under each scenario.

**TABLE I-D**

**Total Projected Special Taxes**

| Scenario | 2024 Bonds Projected Special Taxes[a] |
|---|---|
| Scenario A | $0 |
| Scenario B | $0 |
| Scenario C | $669,360 |

[a]See Appendices A-6, B-8, and C-2.

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† Based on projections of debt service provided by Mesirow Financial Inc. Net annual debt service includes gross scheduled debt service plus projected administrative expenses.

*Historical District Collections*

The table below shows the historical collections of Tax Increment Revenues and Special Tax Revenues for the period beginning fiscal year 2015 and ending fiscal year 2024.

**TABLE III-D**

**Annapolis Junction Town Center – Historical District Collections[(a)]**

| Fiscal Year[(b)] | Taxable Assessed Value | Tax Increment Revenues Billed | Tax Increment Revenues Collected | Special Tax Billed | Special Taxes Collected | Collection % |
|---|---|---|---|---|---|---|
| 2015 | $7,830,600 | $63,097 | $63,097 | $0 | $0 | 100% |
| 2016 | $7,884,200 | $126,738 | $126,738 | $0 | $0 | 100% |
| 2017 | $6,985,300 | $187,284 | $187,284 | $525,000 | $525,000 | 100% |
| 2018 | $67,575,603 | $57,019 | $57,019 | $1,002,000 | $1,002,000 | 100% |
| 2019 | $88,136,867 | $877,403 | $877,403 | $0 | $0 | 100% |
| 2020 | $93,357,400 | $927,487 | $927,487 | $0 | $0 | 100% |
| 2021 | $99,660,666 | $994,254 | $994,254 | $31,492 | $31,492 | 100% |
| 2022 | $105,692,134 | $1,055,413 | $1,055,413 | $110,044 | $110,044 | 100% |
| 2023 | $111,723,600 | $1,116,572 | $1,116,572 | $72,750 | $72,750 | 100% |
| 2024 | $127,192,100 | $1,273,423 | $1,273,423 | $0 | $0 | 100% |

[(a)]Source: information provided by Administrator in *Annual Development Activity and Disclosure Report* from 2015 through 2023.
[(b)]The tax year beginning on July 1 corresponds with fiscal year ending June 30 of the following year.

Neither the Underwriter nor the County makes any representation as to the accuracy of the Tax Increment and Special Tax Report. The assumptions or qualifications with respect to the Tax Increment and Special Tax Report are contained therein. There can be no assurance that any such assumptions will be realized, and the County and the Underwriter make no representation as to the reasonableness of such assumptions. Prospective purchasers of the 2024 Bonds should review the Tax Increment and Special Tax Report in its entirety in order to make an informed decision regarding the suitability of the 2024 Bonds as an investment opportunity.

See "APPENDIX A —Tax Increment and Special Tax Report" hereto.

**THE TAX INCREMENT AND SPECIAL TAX REPORT IS CONSIDERED AN INTEGRAL PART OF THIS OFFICIAL STATEMENT, AND PROSPECTIVE INVESTORS SHOULD READ IT IN ITS ENTIRETY. SEE APPENDIX A HERETO. THE COUNTY AND THE UNDERWRITER MAKE NO REPRESENTATION AS TO THE ACCURACY OF THE TAX INCREMENT AND SPECIAL TAX REPORT.**

**Authority for Creation of the District, Issuance of Bonds and Levy of Special Taxes**

The Tax Increment Financing Act provides for the creation of development districts by the County for the purpose of financing certain improvements as generally described in the Tax Increment Financing Act. Upon approval of the development district, establishment of a special fund by the County and the passing of an authorizing ordinance, the County may issue special obligation bonds to finance or refinance the costs of infrastructure improvements related to the development district, to fund reserves, and to pay other related costs. The County is required to deposit in the special fund all real property taxes that would normally be paid to the County and that are derived from increases in the taxable assessed value of real property located in the development district from the first day of the year preceding the year in which the development district is created. The payment of principal of, premium (if any) and interest on such bonds will be secured by a pledge of the money in the special fund. The property tax revenues derived from such increase in the taxable assessed value of real property located in a development district is a portion of the general ad valorem tax levied on that property by the County.

The Special Taxing District Act provides a method of financing certain improvements through the creation of special taxing districts. The Special Taxing District Act provides for the creation of such special taxing districts by the County and certain others upon petition by two-thirds of the owners of the real property located within the special taxing district. Upon approval of the creation of the special taxing district, the County may issue special obligation bonds to finance or refinance the costs of infrastructure improvements located within the special taxing district or outside the special taxing district if such infrastructure improvements are reasonably related to the other infrastructure improvements within the special taxing district, to fund reserves and to pay other related costs, and may levy and collect special taxes within such district to pay the debt service on, and administrative expenses in connection with, such bonds. The special taxes levied will be collected and secured in the same manner as general ad valorem taxes of the County and will be subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for general ad valorem taxes of the County.

Pursuant to the Authorizing Legislation, the County created the Development District and the Annapolis Junction Town Center Tax Increment Fund (the "Tax Increment Fund"), and the Special Taxing District and the Annapolis Junction Town Center Special Taxes Fund (the "Special Taxes Fund"). The Authorizing Legislation also approved the Howard County, Maryland Annapolis Junction Town Center Special Taxing District Rate and Method of Apportionment of Special Taxes (the "Rate and Method").

As approved by the Authorizing Legislation, the County issued the 2014 Bonds which, as of March 1, 2024, remain outstanding in the aggregate principal amount of $16,145,000. On February 5, 2024, the County Council enacted the Bond Refunding Ordinance which authorized the issuance of the 2024 Bonds in an aggregate principal amount not to exceed $17,200,000. Under the Refunding Bond Ordinance, the 2024 Bonds may not mature later than June 30, 2044 and the interest rate on the 2024 Bonds may not exceed 6.10% per annum.

**Security for the 2024 Bonds**

The 2024 Bonds will be secured by a pledge of the Tax Increment Revenues and the Special Tax Revenues, and all money deposited in the Tax Increment Fund and the Special Taxes Fund established by the Authorizing Legislation and the Series 2024 Debt Service Fund and the Series 2024 Debt Service Reserve Fund established under the Indenture. The 2024 Bonds are payable in the first instance from the Tax Increment Revenues collected in each Fiscal Year. To the extent the Tax Increment Revenues and earnings on amounts on deposit in the Series 2024 Debt Service Reserve Fund are insufficient to pay debt service on the 2024 Bonds, related administrative costs and to maintain certain funds created under the Indenture, the Special Tax will be collected by the County and the proceeds of the Special Tax will be applied to such payments. The Special Tax will be collected in any given year only if a deficiency exists with respect to the Tax Increment Revenues and earnings on amounts on deposit in the Series 2024 Debt Service Reserve Fund.

As additional security for the 2024 Bonds, a Series 2024 Debt Service Reserve Fund will be established in an amount equal to the Reserve Requirement. The Series 2024 Debt Service Reserve Fund will be initially funded from a transfer from the reserve fund established in connection with the 2014 Bonds. The Indenture defines the Reserve Requirement, with respect to the 2024 Bonds, as an amount equal to the least of (i) ten percent (10%) of the original principal amount of the 2024 Bonds, (ii) one hundred twenty-five percent (125%) of average Annual Debt Service on the 2024 Bonds outstanding as of the date of issuance of the 2024 Bonds, or (iii) the Maximum Annual Debt Service on the 2024 Bonds outstanding as of the date of determination, and, with respect to any Additional Bonds, as of the date of any calculation, an amount determined by a Supplemental Indenture. As of the date of delivery of the 2024 Bonds, the Reserve Requirement is equal to $1,564,500 which is an amount equal to the Maximum Annual Debt Service on the 2024 Bonds outstanding as of the date of determination. See "SECURITY FOR THE 2024 BONDS — Series 2024 Debt Service Reserve Fund" herein. See also "APPENDIX C — Proposed Form of Indenture" hereto.

In addition to a pledge of Tax Increment Revenues and Special Tax Revenues, the 2014 Bonds were also secured by payments from the State of Maryland received and appropriated by the County ("BRAC Payments") pursuant to the BRAC Community Enhancement Act adopted by the State of Maryland General Assembly. The BRAC Payments revenue stream is no longer available to the County and is not pledged to pay debt service on the 2024 Bonds.

**Enforcement of Taxes; Direct and Overlapping Taxes**

The County has covenanted in the Indenture, for the benefit of the owners of the 2024 Bonds (the "Bondholders" or "Holders"), that the County will comply in all material respects with all requirements of applicable State and local laws, including the Acts, and the Rate and Method so as to assure the timely collection of the District Tax Revenues for the payment of the 2024 Bonds, including enforcing the collection of any property taxes or Special Taxes levied on any property in the District and not paid when due. See "SECURITY FOR THE 2024 BONDS — Property Tax Collection Procedures" herein. The County is not required, nor does the County intend, to advance any of its own funds or any other money of the County in the event of a delinquency in the payment of District Tax Revenues.

Total direct and overlapping taxes on the property within the District will be comprised of: (i) State real property taxes, (ii) County real property taxes, including ad valorem taxes, and (iii) the Special Tax. The State and County real property taxes are each derived from the assessed valuation of the real property within the District as determined by the Maryland State Department of Assessments and Taxation.

The tax rates for the County and the State for the Fiscal Year ending June 30, 2024 and for the prior five Fiscal Years are as follows:

| Fiscal Year Ending | Maryland State Tax Rate Per $100 Assessed Value[1] | Howard County Tax Rate Per $100 Assessed Value[2] |
|---|---|---|
| 2019 | $0.112 | $1.014 |
| 2020 | $0.112 | $1.014 |
| 2021 | $0.112 | $1.014 |
| 2022 | $0.112 | $1.014 |
| 2023 | $0.112 | $1.014 |
| 2024 | $0.112 | $1.014 |

[1] Source: Maryland State Department of Assessments and Taxation.
[2] Source: Howard County, Maryland Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2023.

State tax real property taxes will not be deposited in the Tax Increment Fund and are not pledged as security for the 2024 Bonds. See “SECURITY FOR THE 2024 BONDS — General” herein.

**Risk Factors**

The purchase of the 2024 Bonds involves significant investor risks. The timely payment of principal and interest on the 2024 Bonds from the District Tax Revenues is contingent, among other things, upon the willingness and ability of the Developer and the other property owners within the District (and subsequent property owners) to pay taxes in the District when due. These risks and certain others are described in more detail in “RISK FACTORS” herein.

**Limitations Concerning Information Contained Herein**

This Official Statement contains brief descriptions of, among other things, the 2024 Bonds, the security for the 2024 Bonds, risk factors, the Development District, the Special Taxing District, the County, the Public Improvements, the Development and other information, together with summaries of certain provisions of the 2024 Bonds. Such descriptions and information do not purport to be complete, comprehensive or definitive. All such descriptions are qualified in their entirety by reference to such documents.

## THE COUNTY

Howard County, Maryland is 251 square miles in area and is home to approximately 335,411 residents. The County is located in the State between Baltimore, Maryland and Washington, D.C., and at its closest points is less than four miles from the former and 13 miles from the latter. The County was formed in 1851 and bears the name of Colonel John Eager Howard, the fifth governor of the State. The County's population has grown an average of 1.67% annually since 2000 and the County has the highest median household income in the State and the sixth highest median household income for any county in the nation as of 2022.

Over the past five decades, the County has changed from a farming community into a community of urban, suburban and rural components. This is due, in part, to the County's close proximity to the cities of Washington, D.C. and Baltimore, as well as to the County's active promotion of economic development. The County is a major commercial center for the Washington-Baltimore region, with over 2,000 properties offering 78.9 million square feet of space to over 11,000 businesses. Several of the largest office and business parks in the Washington-Baltimore region are located in the County, including Columbia Gateway with 756 acres, Gateway Commerce Center with 164 acres, Maryland Wholesale Food Center with 400 acres and Rivers Corporate Park with 350 acres. Downtown Columbia is experiencing substantial reinvestment by the County, and Howard Hughes Holdings, Inc. has added approximately 4.3 million square feet of office space to the area.

County residents are among the best educated in the region. The County's public school system consistently ranks among the State's top school districts based on student performance on the Maryland School Assessments. The County's students' average scores are above the national averages on standardized tests. Additionally, the County's public school system is currently ranked the #1 Best School District in Maryland by *Niche*. The percentage of residents who are high school graduates or higher is 97%. The percentage of residents who are college graduates or higher is 63%.

Under a home rule charter since 1968, the County is governed by an elected county executive (the "County Executive") and a council consisting of five members elected by district which serves as the County's legislative body (the "County Council"). The County Executive is limited to two consecutive four-year terms and County Council members are limited to three consecutive four-year terms.

Brief biographical profiles of certain County officials are set forth below:

County Executive. County Executive *Calvin Ball* is a Maryland native and resident of Columbia for over 20 years. He and his wife Shani Ball, RN, M.S., are proud parents of two daughters who attend and graduated from Howard County Public Schools. In 2006, Dr. Ball was elected as the youngest Council Chairperson in Howard County history. In 2018, he became the first African American to be elected as Howard County Executive.

Re-elected in 2022, Dr. Ball remains dedicated to ensuring that Howard County communities are safe, strong, and accessible for all. Howard County continues to be a regional and national leader, as County Executive Ball continues to champion education, environmental conservation, the health and well-being of our residents, investments in public safety and fiscal responsibility. Transformational vision builds the best communities, and his team has implemented innovative programs and policy solutions that are data-informed and people driven.

Dr. Ball and his team have prioritized growing ready and successful students, fostering safe and engaged communities, creating a clean and sustainable environment, supporting thriving and healthy residents, building reliable and accessible infrastructure, promoting a strong and prosperous business climate, and leading an innovative and efficient government.

County Executive Ball is currently serving as Immediate Past President of the Maryland Association of Counties (MACo), where he serves on a six-member Executive Committee. This committee oversees its fiscal, personnel, and management concerns as well as advocating for the shared legislative agenda for all 24 jurisdictions across the state. In 2012, he founded the Diversity Caucus of MACo, the first statewide caucus for county elected officials of color. He also participated in the National Association of Counties and Gates Foundation "Economic Mobility Leadership Network" to explore the role counties can play to positively affect economic mobility. Ball was also the 2023 Chair of the Baltimore Metropolitan Council (BMC).

During Dr. Ball's tenure, Howard County achieved numerous accolades, including Best Place to Live, Best City for Jobs, Best City in Maryland for People Living with Disabilities, Safety City in Maryland, Strongest Complete Streets Policy, Columbia Received a Perfect Score on Human Rights Campaign Index, and first County in the nation to receive LEED Platinum certification.

Dr. Ball, who is a certified mediator, holds a Bachelor of Arts in Philosophy and Religion from Towson State University, a Master of Arts in Legal and Ethical Studies from the University of Baltimore, where he was nominated for the Spirit of Excellence Award, and a Doctor of Education from Morgan State University.

Chief of Staff. *Angela Cabellon* serves as Chief of Staff, and was the County's first Chief Innovation Officer. Ms. Cabellon initiated and oversaw the development of the County's first performance dashboard, the Howard County Data Analytics and Statistics Hub (HoCo DASH). She was the incident commander for the COVID-19 pandemic on behalf of the County Executive, ensuring a data-informed, people-driven response.

Ms. Cabellon served as the Social Services Officer for Montgomery County, managing $38M in social service programs. She was also the Assistant Secretary for Policy and Program Management at Department of Health and Human Services, overseeing strategic initiatives on child welfare, child support, workforce development, the Affordable Care Act, and economic assistance.

As a former Senior Analyst in the Governor's Office of Policy, Ms. Cabellon prepared all education policy briefings for the Director of Policy and former Governor O'Malley. Ms. Cabellon was a Teach for America Corps Member in San Jose, California teaching Special Education English at Independence High School.

Chief Administrative Officer. *Brandee Ganz* has served as the County's Chief Administrative Officer since March 1, 2023. She previously served as the County's Chief Information Officer for four years, where she managed more than 100 employees within the Department of Technology and Communication Services. During that time, she oversaw numerous projects and initiatives, helping to ensure the County's Information Technology needs and standards were met and maintained.

During her tenure at the Department of Technology and Communication Services, her team's focus was to ensure the safety of employees during the COVID-19 pandemic, while keeping all County services safe and secure. Ms. Ganz led efforts to move the County's workforce to a remote environment, without service interruption to staff or residents. With the need to move all government meetings online during quarantine, but still allow for transparency and public input, her team quickly built a digital platform allowing all meetings and events to be hosted virtually. This included County Council meetings, budget meetings, board meetings, and several townhall events to provide crucial information to the community. Also, during this time, her team partnered with County Administration to launch the Transform Howard Initiative, which continues to bridge the digital divide within the County. This was evident as her team worked closely with the Howard County Public School System to enhance and build out their internet services, allowing all students the ability to connect to the classroom virtually.

Ms. Ganz is a life-long resident of Howard County. She attended Pennsylvania State University and received her Master of Business Administration from the University of Phoenix. She is a certified Project Management Professional and has her certifications in ITIL and Scrum master. She is a recent graduate of Leadership Howard County and is active in the community and coaches her daughter's softball team.

County Solicitor. *Gary W. Kuc* was appointed Howard County Solicitor effective July 1, 2015 and reappointed thereafter, effective most recently April 3, 2023. Prior to his appointment, Mr. Kuc was a Senior Assistant County Solicitor in the Howard County Office of Law for six years, during which time he advised both branches of the County government on a variety subjects, and represented Howard County before federal and State courts and various administrative bodies. Before joining the County's Office of Law, Mr. Kuc was a Senior Assistant Attorney General for the State of Maryland for five years, and handled complex civil litigation in the Civil Division of the Attorney General's Office. Prior to his public service, Mr. Kuc was in private practice, as an associate attorney and then partner at Whiteford, Taylor & Preston, LLP, for seven years, and as an associate attorney at Semmes, Bowen & Semmes for three years. Mr. Kuc also was a law clerk to the Honorable Irma S. Raker, Court of Appeals of Maryland. Mr. Kuc holds a Bachelor of Arts in Political Science, Public Service Emphasis, from the University of California, Santa Barbara, and a Juris Doctor, *magna cum laude*, from the Catholic University of America. He is admitted to practice in the Court of Appeals of Maryland, and is admitted to practice in the U.S. District Court for the District of Maryland, the U.S. Court of Appeals for the Fourth Circuit, and the U.S. Supreme Court.

Director of Finance. *Rafiu O. Ighile* was appointed Director of Finance effective September 7, 2020. Mr. Ighile is a Certified Public Accountant with an MBA who has more than 30 years of accounting experience in government, not-for-profit and for-profit organizations. He was previously the Director of Finance and Administration for the City of Gaithersburg, where he oversaw the Finance, Budget and Procurement functions. Before joining the City of Gaithersburg, Mr. Ighile served as the Chief Financial Officer for the Howard County Public School System (HCPSS) as its Chief Financial Officer. As CFO for the HCPSS he managed finance, budget, benefits, and technology functions. Prior to joining HCPSS, Mr. Ighile served as the Deputy Director of Finance for Howard County where he established a debt and cash management function for the County to effectively manage the debt issuance and investment portfolio with total assets of over $1 billion. Mr. Ighile attended the University of Pennsylvania and The Wharton School for the Advanced Investment Management Program. He also serves on the Executive Board of both the Government Finance Officers Association (GFOA) and the Maryland GFOA Board of Directors.

## THE 2024 BONDS

The 2024 Bonds will be issued in the aggregate principal amount of $15,640,000, will be dated as of the date of issue, bear interest from such date at the rates, and mature on the dates set forth on the cover page of this Official Statement. The 2024 Bonds initially will be issued in fully registered book-entry form, in authorized denominations of $5,000 or any integral multiple thereof. See "THE 2024 BONDS — Authorized Denominations" herein.

The Depository Trust Company, New York, New York ("DTC") will act as securities depository for the 2024 Bonds. So long as the 2024 Bonds are held in book-entry form, principal of, premium (if any) and interest on the 2024 Bonds will be paid directly to DTC for subsequent disbursement to DTC participants who will remit such payments to the Beneficial Owners (as defined herein) of the 2024 Bonds in accordance with the procedures adopted by DTC. See "THE 2024 BONDS — Book-Entry System" herein.

Interest on the 2024 Bonds will be paid in lawful money of the United States of America semiannually on February 15 and August 15 of each year (each, an "Interest Payment Date"), commencing August 15, 2024. Interest on the 2024 Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

**Redemption**

*Optional Redemption*

The 2024 Bonds maturing on or after February 15, 2031, are subject to optional redemption prior to maturity commencing on February 15, 2030, in whole or in part, at the option of the County at any time, in such amounts as the County may determine at the redemption prices set forth below plus accrued interest to the redemption date:

| Redemption Date | Redemption Price |
|---|---|
| February 15, 2030 to but not including February 15, 2031 | 103% |
| February 15, 2031 to but not including February 15, 2032 | 102% |
| February 15, 2032 to but not including February 15, 2033 | 101% |
| February 15, 2033 and thereafter | 100% |

*Mandatory Sinking Fund Redemption*

The 2024 Bonds in the principal amount of $6,465,000 and maturing on February 15, 2044, are subject to mandatory sinking fund redemption prior to maturity at a redemption price equal to the principal amount thereof plus accrued interest thereon to the date set for redemption from mandatory Sinking Fund Installments on February 15 of the following years in the following amounts:

$6,465,000 Term Bond Due February 15, 2044

| Year | Sinking Fund Installment | Year | Sinking Fund Installment |
|---|---|---|---|
| 2040 | $1,110,000 | 2043 | $1,385,000 |
| 2041 | 1,195,000 | 2044** | 1,490,000 |
| 2042 | 1,285,000 | | |

**final maturity

The 2024 Bonds redeemed as described under "THE 2024 BONDS — Redemption — Optional Redemption" and 2024 Bonds purchased by the Trustee from available money on deposit with the Trustee in accordance with the Indenture will be credited to the remaining sinking fund installments in the manner described herein. See "THE 2024 BONDS — Redemption — Credits to Sinking Fund Installments from Redemptions and Purchases of 2024 Bonds."

*Extraordinary Optional Redemption*

At the option of the County, the 2024 Bonds are subject to redemption prior to maturity as a whole or in part at any time, at a redemption price equal to the principal amount thereof plus accrued interest thereon to the date set for redemption upon the occurrence of any of the following conditions or events: (i) if title to, or the permanent use of, or use for a limited period of time of, any portion of the improvements located within the Districts are condemned or the subject of an agreement with, or action by, a public authority in the nature of or in lieu of condemnation proceedings; or (ii) if title to any portion of the improvements located within the Districts is found to be deficient; or (iii) if any portion of the improvements located within the Districts is damaged or destroyed by fire or other casualty, and, with respect to clauses (i), (ii) and (iii), in such case to the extent that the ability of the properties in the Districts to generate sufficient Tax Increment Revenues and Special Tax Revenues to pay debt service on the 2024 Bonds is substantially impaired.

*Purchase in Lieu of Redemption*

In lieu of redeeming the 2024 Bonds, the County shall have the right to purchase such 2024 Bonds or cause such 2024 Bonds to be purchased on the date named for purchase at a purchase price equal to 100% of the principal amount of such 2024 Bonds, plus accrued interest thereon to the date named for purchase, and by their acceptance of the 2024 Bonds, the holders thereof agree to sell the 2024 Bonds to the County or any purchaser obtained by the County on such date. If there shall have been deposited with the Trustee the purchase price of such 2024 Bonds on such date, then such 2024 Bonds shall be deemed to have been purchased on such date whether or not the holders thereof surrender such Bonds for purchase and such holders shall not be entitled to interest accruing on such 2024 Bonds subsequent to such date and shall have no claims with respect thereto except to receive the purchase price of such 2024 Bonds so held by the Trustee.

*Selection of 2024 Bonds for Redemption or Purchase*

If fewer than all of the Bonds are to be redeemed or purchased at the option of the County, the Series and maturities of the Bonds to be redeemed or purchased shall be selected by the County, subject to the procedures of the Securities Depository. If fewer than all of the Bonds of a Series of any one maturity shall be called for redemption or purchase, the Securities Depository shall select the particular Bonds or portions of Bonds of such Series to be redeemed or purchased from such maturity in accordance with its procedures, or if the book-entry system has been discontinued, the Trustee shall select or cause to be selected the particular Bonds or portions of Bonds of such Series to be redeemed or purchased on a *pro rata* basis among all outstanding maturities of the Bonds, as nearly as practicable, and within a maturity, by random drawing or in such other manner as the Trustee in its discretion may deem proper, provided that the portion of any Bond to be redeemed shall be in a principal amount equal to $5,000 or any integral multiple thereof, provided that no redemption or purchase shall result in a Bond in a denomination of less than the Authorized Denomination in effect at that time and, in selecting Bonds for redemption, each Bond shall be treated as representing that number of Bonds that is obtained by dividing the principal amount of such Bond by $5,000.

*Credits to Sinking Fund Installments from Redemptions and Purchases of 2024 Bonds*

If (i) the Trustee purchases Term Bonds during any Fiscal Year, (ii) the County delivers to the Trustee for cancellation on or before the 45th day next preceding any February 15 on which a sinking fund installment is due Term Bonds subject to redemption from such sinking fund installment, or (iii) Term Bonds subject to redemption from a sinking fund installment are optionally redeemed during such Fiscal Year, then an amount equal to 100% of the aggregate principal amount of such 2024 Bonds so purchased, delivered or redeemed shall be credited against such sinking fund installment.

*Notice of Redemption or Purchase*

So long as the 2024 Bonds are held in book-entry form, notice of redemption will be given by the Trustee only to DTC and not to the Beneficial Owners of 2024 Bonds under the DTC book-entry-only system. Neither the County nor the Trustee is responsible for notifying the Beneficial Owners, who are to be notified in accordance with the procedures in effect for the DTC book-entry system. See "Book-Entry System" below. If the book-entry system has been discontinued, notice of redemption, containing the information required by the Indenture, will be mailed by first class mail, postage prepaid, by the Trustee at least thirty (30) days prior to the date set for redemption.

Each notice of redemption or purchase of 2024 Bonds will be given in accordance with the terms of the 2024 Bonds and will set forth (i) the maturities of the 2024 Bonds to be redeemed or purchased, (ii) the date fixed for redemption or purchase, (iii) the redemption price or purchase price to be paid, (iv) the designated office of the Trustee at which such Bonds shall be redeemed or purchased, (v) the CUSIP numbers of the Bonds to be redeemed or purchased, (vi) if fewer than all of the 2024 Bonds then Outstanding are called for redemption or purchase, the distinctive numbers and letters, if any, of the 2024 Bonds to be redeemed or purchased, (vii) in the case of 2024 Bonds to be redeemed or purchased in part only, the portion of the principal amount thereof to be redeemed or purchased, (viii) any conditions to such redemption or purchase and (ix) that on the redemption or purchase date, if all conditions, if any, to such redemption or purchase have been satisfied, there will become due and payable upon all 2024 Bonds to be redeemed or purchased the redemption price or purchase price thereof, together with interest accrued to the redemption or purchase date, and that, from and after such date, interest thereon will cease to accrue. If any 2024 Bond which is not held under a book-entry system is to be redeemed or purchased in part only, the notice of redemption or purchase that relates to such 2024 Bond will state also that on or after the redemption or purchase date, upon surrender of such 2024 Bond to the Trustee at its designated office, a new 2024 Bond or 2024 Bonds of the same maturity, bearing interest at the same rate and of any Authorized Denomination, will be issued in the aggregate principal amount equal to the unredeemed or unpurchased portion of such 2024 Bond.

Each notice of redemption or purchase with respect to any 2024 Bond must comply with any published and mandatory regulation or release of the Securities Exchange Commission, the Municipal Securities Rulemaking Board or other governmental board or body from time to time applicable to such 2024 Bond.

If notice of redemption or purchase has been given as described above and any and all conditions, if any, to such redemption or purchase have been satisfied, then on or prior to the redemption or purchase date the County will pay to the Trustee from the Tax Increment Revenues or from the Special Tax Revenues, an amount in cash that, in addition to other money, if any, available therefor held by the Trustee, will be sufficient to redeem or purchase at the redemption price thereof, plus accrued interest to the redemption or purchase date, all of the 2024 Bonds to be redeemed or purchased on such date.

**Authorized Denominations**

The 2024 Bonds will be issued in Authorized Denominations of $5,000 or any integral multiple thereof.

**Additional Bonds**

The Indenture provides that the County may issue from time to time Additional Bonds under and within the limitations and provisions of the Indenture to refund or advance refund any Outstanding Bonds. If the County issues Additional Bonds, the Supplemental Indenture will require that (i) amounts on deposit in the Tax Increment Fund and Special Taxes Fund on any date will be transferred *pro rata* as to time and amount among the debt service funds on the basis of the principal of, the Sinking Fund Installments for and the interest on the Series of Bonds secured thereby due on such date, (ii) amounts on deposit in the Tax Increment Fund and the Special Taxes Fund required to be transferred to the reserve funds on any date shall be allocated pro rata as to time and amount among all reserve funds on the basis of the respective aggregate principal amounts of the Bonds Outstanding secured by such reserve funds, and (iii) amounts on deposit in the funds and accounts created for particular Series of Bonds available for the payment of any Bonds shall be applied solely to the payment of the principal or Redemption Price of and interest on, or the purchase price of, the Bonds of such Series and shall not be available to satisfy the claims of Holders of Bonds of any other Series. See “APPENDIX C — Proposed Form of Indenture.”

**Book-Entry System**

DTC will act as securities depository for the 2024 Bonds. The 2024 Bonds will be issued as fully-registered securities 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 2024 Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC.

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, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. 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 a Standard & Poor’s rating of AA+. 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.

Purchases of the 2024 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2024 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2024 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2024 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2024 Bonds, except in the event that use of the book-entry system for the 2024 Bonds is discontinued.

To facilitate subsequent transfers, all 2024 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 the 2024 Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2024 Bonds. DTC's records reflect only the identity of the Direct Participants to whose accounts the 2024 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 2024 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2024 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of 2024 Bonds may wish to ascertain that the nominee holding the 2024 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 will be sent to DTC. If less than all of the 2024 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 the 2024 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 County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2024 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payment of principal and interest on the 2024 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 County 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 securities 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 County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or the Trustee, 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.

DTC may discontinue providing its services as depository with respect to the 2024 Bonds at any time by giving reasonable notice to the County or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, the 2024 Bond certificates are required to be printed and delivered. The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2024 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County and the Underwriter believe to be reliable, but neither the County nor the Underwriter takes responsibility for the accuracy thereof.

In the event that the book-entry-only system is discontinued, payments of principal of and interest on the 2024 Bonds will be payable to the registered owners of the 2024 Bonds in accordance with the procedures set forth in the Indenture.

**The Trustee and the Administrator**

Manufacturers and Traders Trust Company, a New York banking corporation, has been appointed and will continue to serve as the Trustee for the 2024 Bonds under the Indenture.

MuniCap, Inc. (the "Administrator") has been retained by the County to assume certain duties and responsibilities with respect to the operations of the District. The term of the County's contract with the administrator expires on January 31, 2025 and may be renewed by the County for two more extensions. The administrative services provided to the County by the Administrator include calculation of the ad valorem tax collections, the Special Tax collections, delinquency management, rebate calculations, continuing disclosure, and property owner liaison.

The Administrator is a public finance consulting firm with a specialized practice providing services related to the formation and administration of special tax and assessment districts. These services include the preparation of tax increment projections and special tax and assessment methodologies, calculation of annual special tax and assessment levies, and continuing disclosure and financial services related to the administration of tax increment and special tax and assessment districts. The Administrator has its principal office in Columbia, Maryland, and provides district administration services to approximately 276 special tax and assessment districts in 27 states.

See "APPENDIX C — Proposed Form of Indenture" hereto for a further description of the rights and obligations of the Trustee and the Administrator pursuant to the Indenture.

**Sources and Uses of Funds**

The table below sets forth the estimated sources and uses of funds with respect to the 2024 Bonds.

SOURCES AND USES OF BOND PROCEEDS

| | |
|---|---|
| Sources of Funds | |
| 2024 Bond Proceeds | |
| Par Amount | $15,640,000.00 |
| Net Original Issue Premium/Discount | 1,040,538.45 |
| 2014 Bonds Reserve Fund[1] | 1,714,430.81 |
| 2014 Debt Service Fund[2] | 159.71 |
| Tax Increment Fund[3] | 648,000.00 |
| Total Sources | $19,043,128.97 |
| | |
| Uses of Funds | |
| 2014 Bonds Refunding Deposit[4] | $16,501,225.83 |
| Series 2024 Debt Service Reserve Fund[2] | 1,564,500.00 |
| Series 2024 Debt Service Fund[5] | 356,345.67 |
| Series 2024 Costs of Issuance Fund[6] | 621,057.47 |
| Total Uses | $19,043,128.97 |

[1] Represents amounts transferred from the reserve fund securing the 2014 Bonds.
[2] Represents amounts transferred from the debt service fund securing the 2014 Bonds.
[3] Represents amounts transferred from the Tax Increment Fund securing the 2014 Bonds.
[4] The 2014 Bonds will be redeemed at a Redemption Price of 100% of the principal amount thereof plus accrued interest from February 15, 2024 to the date of redemption.
[5] Represents amounts transferred from the Tax Increment Fund.
[6] Costs of Issuance include the Underwriter's discount, fees and expenses of various counsel, fees and expenses of the Administrator and the Trustee, accounting fees, and certain other administrative and financing costs, and other costs incidental to the issuance of the 2024 Bonds.

### Debt Service Schedule

The following table presents the debt service schedule for the 2024 Bonds based on the maturity dates and interest rates set forth on the cover of this Official Statement, assuming no redemptions other than mandatory sinking fund redemptions are made.

DEBT SERVICE SCHEDULE

| Bond Year (February 15) | Principal | Interest | Annual Debt Service |
|---|---|---|---|
| 2/15/2025 | $595,000 | $495,266.67 | $1,090,266.67 |
| 2/15/2026 | 285,000 | 752,250.00 | 1,037,250.00 |
| 2/15/2027 | 325,000 | 738,000.00 | 1,063,000.00 |
| 2/15/2028 | 365,000 | 721,750.00 | 1,086,750.00 |
| 2/15/2029 | 410,000 | 703,500.00 | 1,113,500.00 |
| 2/15/2030 | 455,000 | 683,000.00 | 1,138,000.00 |
| 2/15/2031 | 510,000 | 660,250.00 | 1,170,250.00 |
| 2/15/2032 | 560,000 | 634,750.00 | 1,194,750.00 |
| 2/15/2033 | 615,000 | 606,750.00 | 1,221,750.00 |
| 2/15/2034 | 675,000 | 576,000.00 | 1,251,000.00 |
| 2/15/2035 | 735,000 | 542,250.00 | 1,277,250.00 |
| 2/15/2036 | 800,000 | 505,500.00 | 1,305,500.00 |
| 2/15/2037 | 870,000 | 465,500.00 | 1,335,500.00 |
| 2/15/2038 | 950,000 | 422,000.00 | 1,372,000.00 |
| 2/15/2039 | 1,025,000 | 374,500.00 | 1,399,500.00 |
| 2/15/2040 | 1,110,000 | 323,250.00 | 1,433,250.00 |
| 2/15/2041 | 1,195,000 | 267,750.00 | 1,462,750.00 |
| 2/15/2042 | 1,285,000 | 208,000.00 | 1,493,000.00 |
| 2/15/2043 | 1,385,000 | 143,750.00 | 1,528,750.00 |
| 2/15/2044 | 1,490,000 | 74,500.00 | 1,564,500.00 |
| TOTAL | $15,640,000 | $9,898,516.67 | $25,538,516.67 |

## SECURITY FOR THE 2024 BONDS

### General

The 2024 Bonds and the interest thereon are secured and payable solely from: (i) Tax Increment Revenues; (ii) to the extent that the Tax Increment Revenues and earnings on amounts on deposit in the Series 2024 Debt Service Reserve Fund are insufficient, the Special Tax levied on the property within the Special Taxing District, including the proceeds of the sale or redemption of any property in the District subject to sale for nonpayment of property taxes; and (iii) amounts held in certain funds pursuant to the Indenture. See "INTRODUCTION — Authority for the Creation of the District, Issuance of Bonds and Levy of Special Taxes" herein.

The 2024 Bonds do not contain a provision allowing for the acceleration of the 2024 Bonds in the event of a payment default or other default under the terms of the 2024 Bonds or the Indenture. For a description of the limitations of remedies available to Bondholders and the Trustee, see "RISK FACTORS" herein and "APPENDIX C — Proposed Form of Indenture" hereto. The ultimate source of recovery in the event of a default on payment of District Tax Revenues is the tax sale provisions described below. See "SECURITY FOR THE 2024 BONDS — Property Tax Collection Procedures" and "RISK FACTORS — No Acceleration Provision" herein.

**NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COUNTY, THE STATE, OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE 2024 BONDS, EXCEPT FOR THE TAX INCREMENT REVENUES AND THE SPECIAL TAX REVENUES. LIKEWISE,**

**EXCEPT FOR THE TAX INCREMENT REVENUES AND THE SPECIAL TAX REVENUES, NO OTHER TAXES OR ASSESSMENTS ARE PLEDGED TO THE PAYMENT OF THE 2024 BONDS. THE 2024 BONDS ARE NOT GENERAL OBLIGATIONS OF THE COUNTY, BUT ARE SPECIAL OBLIGATIONS OF THE COUNTY PAYABLE SOLELY FROM CERTAIN AMOUNTS DEPOSITED IN THE TAX INCREMENT FUND, THE SPECIAL TAXES FUND, THE SERIES 2024 DEBT SERVICE FUND AND THE SERIES 2024 DEBT SERVICE RESERVE FUND, AS MORE FULLY DESCRIBED HEREIN.**

**THE PURCHASE OF THE 2024 BONDS IS AN INVESTMENT SUBJECT TO A HIGH DEGREE OF RISK, INCLUDING THE RISK OF NONPAYMENT OF PRINCIPAL AND INTEREST. SEE "RISK FACTORS" HEREIN FOR A DISCUSSION OF THE FACTORS THAT SHOULD BE CONSIDERED, IN ADDITION TO THE OTHER MATTERS SET FORTH HEREIN, IN EVALUATING THE INVESTMENT QUALITY OF THE 2024 BONDS.**

In the event that the Special Tax is required to be collected in any given year, the amount of Special Tax that the County may collect from properties in the Special Taxing District in any year is strictly limited by the maximum amounts approved by the County pursuant to the Ordinance. The County is legally authorized under the Special Taxing District Act, and has covenanted in the Indenture, to cause the collection of the Special Tax in an amount determined according to the Rate and Method. The County will direct the Administrator to carry out such responsibilities. See "SECURITY FOR THE 2024 BONDS — Special Tax Revenues" herein. The Rate and Method apportions the total amount of the Special Tax to be collected among the taxable parcels in the Special Taxing District as more particularly described herein. See "THE DEVELOPMENT DISTRICT, THE SPECIAL TAXING DISTRICT AND DISTRICT TAX REVENUES — Rate and Method of Apportionment of Special Taxes" and "APPENDIX B — Rate and Method of Apportionment of Special Taxes" hereto.

The 2024 Bonds are secured in the first instance by the Tax Increment Revenues. The Special Tax will be collected only as needed to pay debt service on and administrative costs of the 2024 Bonds and to maintain certain funds under the Indenture in the event the Tax Increment Revenues and earnings on amounts on deposit in the Series 2024 Debt Service Reserve Fund are insufficient for such purposes.

**Developer Not Liable for 2024 Bonds**

None of the Developer, any affiliate thereof, and any partner, officer, director, agent, or representative thereof has pledged its credit or assets or has provided any guarantee, surety or undertaking of any kind, moral or otherwise, to pay the principal of, premium (if any) and interest on, the 2024 Bonds, although the foregoing does not limit or release any obligation of the Developer or any other person to pay any County ad valorem real property taxes or any Special Tax applicable to any portion of the Site owned by such person.

**Tax Increment Revenues**

Pursuant to the Tax Increment Financing Act, the Tax Increment Revenues in any Fiscal Year are the portion of the County taxes that would normally be paid to the County and that represent the levy on the amount by which the assessable base of real property in the Development District subject to taxation as of January 1 preceding that Fiscal Year exceeds the "Original Taxable Value" divided by the "Assessment Ratio" (each as defined in the Tax Increment Financing Act) used to define the Original Taxable Value (the "Tax Increment"). The County has received from the Supervisor of Assessments a certification that the Original Assessable Base (as defined in the Tax Increment Financing Act) for the tax parcels in the Development District is $1,608,000. The Original Assessable Base is the assessable base as of January 1, 2012.

The County has pledged, pursuant to the Authorizing Legislation, that until the 2024 Bonds have been fully paid or defeased, the property taxes on real property in the Development District will be divided such that (i) the portion of the taxes that is produced by the County's annual tax rate levied upon the Original Taxable Value will be allocated to, and when collected, paid into the funds of the County, in the same manner as taxes by or for the County on all other property are paid and (ii) the portion of the taxes on the Tax Increment that would normally be paid to the County will be paid into the Tax Increment Fund to be applied in accordance with the Tax Increment Financing Act and the Indenture. No State real property taxes will be paid into the Tax Increment Fund.

Pursuant to the Tax Increment Financing Act, the Authorizing Legislation and the Indenture, all Tax Increment Revenues collected are pledged to secure the 2024 Bonds and will be deposited into the Tax Increment Fund. See "SECURITY FOR THE 2024 BONDS — Property Tax Collection Procedures" herein.

**Special Tax Revenues**

The Special Tax was levied and imposed on taxable real property within the Special Taxing District pursuant to the Ordinance and the Refunding Bond Ordinance in an amount equal to the Maximum Special Tax. The Maximum Special Tax in each year will be an amount that by itself will provide at least 110% coverage of net debt service on the 2024 Bonds in that year. The Special Tax will be collected to the extent that Tax Increment Revenues and earnings on amounts on deposit in the Series 2024 Debt Service Reserve Fund are insufficient to pay debt service and administrative costs or to replenish certain funds held by the Trustee. See "THE DEVELOPMENT DISTRICT, THE SPECIAL TAXING DISTRICT AND DISTRICT TAX REVENUES." The County recorded a Notice of Special Tax in the land records of the County in 2015. The 2024 Bonds are also secured by a pledge of the Special Tax Revenues.

*Collection of Special Taxes*

The County has agreed to comply with all requirements of the Special Taxing District Act so as to assure the timely collection of the Special Tax, including without limitation, the enforcement of any delinquent Special Taxes.

Pursuant to the Rate and Method, the County Executive or the County Executive's designee will determine the amount of the Special Tax within the District required for the payment of principal of and interest on any Outstanding 2024 Bonds becoming due and payable during the ensuing Fiscal Year, including any necessary replenishment or expenditure of the Series 2024 Debt Service Reserve Fund for the 2024 Bonds and an amount estimated to be sufficient to pay the Administrative Expenses (including amounts necessary to discharge any obligation under Section 148 of the Code) during such Fiscal Year, taking into account the balances in the Tax Increment Fund, the Series 2024 Debt Service Reserve Fund, the Administrative Expense Fund and the Special Taxes Fund. The Special Tax so collected must not exceed the authorized amounts as provided in the Rate and Method. The Administrator will send written notification to the County of any Special Tax to be levied for the ensuing Fiscal Year.

The Special Tax will be payable and be collected in the same manner and at the same time as general ad valorem taxes on real property, and have the same priority, become delinquent at the same time and bear penalties and interest after delinquency as do the general ad valorem taxes on real property. Penalties and interest will apply to any Special Tax paid after September 30 of each year.

**Tax Increment Fund and Special Taxes Fund**

The Tax Increment Fund and the Special Taxes Fund are held in trust under the Indenture by the County for the benefit of the holders of the 2024 Bonds and, pending disbursement, will be subject to a lien in favor of the holders of the 2024 Bonds. The County will deposit Tax Increment Revenues into the Tax Increment Fund and Special Tax Revenues into the Special Taxes Fund. Tax Increment Revenues include the proceeds of the tax levy on the Tax Increment that would normally be paid to the County, interest thereon and proceeds of the redemption or the sale of property sold as a result of foreclosure of the liens of the County property taxes equal to the amount of said liens and interest thereon, including any penalties collected, in connection with delinquent property taxes, in each case to the extent attributable to such levy. The Special Tax Revenues include the proceeds of the Special Tax received by the County, interest thereon and proceeds of the redemption or the sale of property sold as a result of foreclosure of the lien of the Special Tax equal to the amount of said lien and interest thereon, including any penalties collected in connection with any delinquent Special Tax. As of May 31, 2024, $648,561 is on deposit in the Tax Increment Fund and $0 is on deposit in the Special Taxes Fund.

On each January 15 and July 15 (with respect to payments of principal of and interest on the 2024 Bonds on the immediately succeeding Interest Payment Date) and on any date required for the payment of any other obligations relating to the District, the County will withdraw, first from the Tax Increment Fund and second, to the extent amounts in the Tax Increment Fund are insufficient therefor, from the Special Taxes Fund, and transfer the following amounts for the following purposes in the following order of priority: (i) to the Trustee for deposit to the Series 2024 Debt Service Fund, the amount necessary, taking into account any amounts then on deposit in the Series 2024 Debt Service Fund and any excess in the Series 2024 Debt Service Reserve Fund available for transfer to the Series 2024 Debt Service Fund, to make the amount in the Series 2024 Debt Service Fund equal the principal, premium, if any, and interest due on the Bonds on the immediately succeeding Interest Payment Date or such other payment date, as applicable; (ii) to the Trustee for deposit to the Series 2024 Debt Service Reserve Fund, the amount necessary, taking into account amounts then on deposit in the Series 2024 Debt Service Reserve Fund after giving effect to any amount required to be transferred from the Series 2024 Debt Service Reserve Fund to the Series 2024 Debt Service Fund, to make the amount in the Series 2024 Debt Service Reserve Fund equal the

Reserve Requirement; and (iii) to the Administrative Expense Fund, such amount as shall be determined by the County to be necessary to pay County Expenses.

On July 15 of each year, after the County has made the transfers required by clauses (i) through (iii) above, any balance on deposit in, or deposited to (A) the Special Taxes Fund may be transferred by the County to the Trustee for deposit to the Series 2024 Debt Service Fund and (B) the Tax Increment Fund may be withdrawn by the County free and clear of the lien of the Indenture.

**Assessment Procedures**

The property within the District is assessed by the Maryland State Department of Assessments and Taxation. This department is an independent State agency responsible for real and personal property assessment as well as the mapping of all real estate.

Maryland's assessment system is based on a three-year cycle in which one-third of all taxable real estate is physically inspected and reassessed each year. Assessments are based upon an estimate of ad valorem value known as full cash value. The State assessors utilize the three traditional approaches to value depending on property type: cost, sales comparison and income capitalization. To lessen the impact of any increase in full cash value, a three-year phase-in period is implemented. This provides for one-third of the increase in full cash value added to the first year of the assessment cycle with the balance being added in equal installments over the next two years.

For new construction, the assessor uses a cost approach to determine the initial full cash value using the land acquisition price (if applicable) and the land value and actual construction costs provided by the developer of such property (if available). No assurances can be given that such assessment procedure will continue to remain in effect during the term of the 2024 Bonds.

The property within the District was last assessed as of January 1, 2023. Reassessment of the property for the next three-year cycle will occur as of January 1, 2026, and every three years thereafter under current law. See Section III of the Tax Increment and Special Tax Report contained in APPENDIX A hereto.

**Series 2024 Debt Service Reserve Fund**

The Indenture provides that the Series 2024 Debt Service Reserve Fund must be maintained in an amount equal to the Reserve Requirement. The Indenture defines the Reserve Requirement, with respect to the 2024 Bonds, as an amount equal to the least of (i) ten percent (10%) of the original principal amount of the 2024 Bonds, (ii) one hundred twenty-five percent (125%) of average Annual Debt Service on the 2024 Bonds outstanding as of the date of issuance of the 2024 Bonds, or (iii) the Maximum Annual Debt Service on the 2024 Bonds outstanding as of the date of determination, and, with respect to any Additional Bonds, as of the date of any calculation, an amount determined by a Supplemental Indenture. "Annual Debt Service" means, for each Fiscal Year, the sum of (i) the interest due on the Outstanding 2024 Bonds in such Fiscal Year and (ii) the principal amount of the Outstanding 2024 Bonds due in such Fiscal Year (including any Sinking Fund Installment due in such Fiscal Year). "Fiscal Year" means the 12-month period extending from July 1 in a calendar year to June 30 of the succeeding year, both dates inclusive. See "APPENDIX C — Proposed Form of Indenture" hereto. The Reserve Requirement is equal to $1,564,500, which is an amount equal to the Maximum Annual Debt Service on the 2024 Bonds outstanding as of the date of determination.

The Series 2024 Debt Service Reserve Fund will be initially funded from a transfer from the reserve fund established in connection with the 2014 Bonds.

If on any Interest Payment Date or any date on which the principal amount of or any Sinking Fund Installment for any Bond secured by the Series 2024 Debt Service Reserve Fund becomes due, the amount credited to the Series 2024 Debt Service Fund shall be less than the amount of the principal of, the Sinking Fund Installment for and the interest on such Bonds due on such date, the Trustee shall transfer moneys from the Series 2024 Debt Service Reserve Fund to the Series 2024 Debt Service Fund, to the extent necessary to make good any deficiency.

The Trustee will determine the value of the assets of the Series 2024 Debt Service Reserve Fund on each Interest Payment Date and such other dates as the County directs. If the amount in the Series 2024 Debt Service Reserve Fund exceeds the Reserve Requirement, the Trustee will provide written notice to the County of the amount of the excess and will transfer, in the following order of priority, the excess, if transferable, from the Series 2024 Debt Service Reserve Fund: (i) to the County an amount equal to the County Expenses due for the next Fiscal Year, plus any County Expenses then due and payable, and (ii) to the Series 2024 Debt Service Fund, as shall be directed by the County.

Whenever the balance in the Series 2024 Debt Service Reserve Fund equals or exceeds the amount required to redeem or pay all Outstanding Bonds secured thereby, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, upon the direction of the County, the Trustee will transfer the amount in the Series 2024 Debt Service Reserve Fund to the Series 2024 Debt Service Fund as specified by the County. In the event that the amount so transferred to the Series 2024 Debt Service Fund exceeds the amount required to pay and redeem the Outstanding Bonds, the amount of the excess will be transferred to the County free and clear of the lien of the Indenture. Notwithstanding the foregoing, no amounts shall be transferred from the Series 2024 Debt Service Reserve Fund pursuant to this paragraph until after the calculation of any rebate payments or payments in lieu thereof due to the United States of America following payment of the Bonds secured thereby and withdrawal of any such amount from the Series 2024 Debt Service Reserve Fund for purposes of making such payment. If the amount in the Series 2024 Debt Service Reserve Fund is less than the Reserve Requirement, the Trustee shall provide written notice to the County of the amount of the deficiency and the County shall transfer moneys from the Tax Increment Fund and the Special Taxes Fund to the Series 2024 Debt Service Reserve Fund in accordance with the Indenture.

**Permitted Investments**

All funds and accounts established under the Indenture are held by the Trustee except for the Tax Increment Fund, the Special Taxes Fund, the Series 2024 Costs of Issuance Fund and the Administrative Expense Fund, which are held by the County. Money in all funds and accounts established by the Indenture and held by the Trustee will be invested in Permitted Investments as directed by the County. In the absence of such direction, the Trustee will invest any such moneys in a money market mutual fund registered with the Securities and Exchange Commission and rated in the highest rating category of at least one rating agency or in Government Obligations. See “APPENDIX C — Proposed Form of Indenture” hereto for descriptions of the Permitted Investments and the Government Obligations. Money in the Special Taxes Fund will be invested by the County in Permitted Investments and money in the Tax Increment Fund, the Series 2024 Costs of Issuance Fund and the Administrative Expense Fund will be invested in any lawful investment for funds of the County and in accordance with the County’s investment policy. Any interest earned, profits realized and losses suffered by reason of any investment of the funds and accounts created by the Indenture will be credited or charged, as the case may be, to the fund or account from which such investment was made.

**Property Tax Collection Procedures**

The Tax Increment Revenues are a portion of the ad valorem tax levied by the County on real property within the Development District and will be levied and collected from owners of parcels at the same time as real property taxes. The Special Tax will be collected from owners of parcels within the Special Taxing District at the same time and on the same tax bill as general ad valorem real property taxes levied within the Special Taxing District. Under the County Code, taxes on real property are due on July 1 and payable without interest as of September 30 in each taxable year. The taxes are overdue and in arrears on the first day of the succeeding October. Interest accrues from October 1 at the rate of 1.5% per month (and any fraction of a month) with respect to County levied taxes until paid. See “— Timeline for Collection of Taxes” below.

The County is responsible for collecting all real property taxes within the County, including the District. The County anticipates that the County will invoice for, direct the payments of, and collect the ad valorem taxes and any Special Tax levied by the County on property owners in the District. Additionally, invoices of any Special Tax will be included on the invoice of the County ad valorem property taxes.

The County is required under the Special Taxing District Act to cause the levy of the Special Tax in an amount equal to the debt service on the 2024 Bonds as reflected in the Rate and Method. The County has entered into a contract with the Administrator to assist the County in carrying out such responsibilities. The Rate and Method apportions the total amount of Special Tax to be collected among the taxable parcels in the Special Taxing District as more particularly described therein.

The 2024 Bonds are secured in the first instance by the Tax Increment Revenues. The Special Tax will be levied but only collected as needed to pay debt service on the 2024 Bonds and administrative costs and to maintain certain funds under the Indenture in the event the Tax Increment Revenues are insufficient for such purposes. Based on the projected Tax Increment Revenues, the Special Tax is not anticipated to be levied and collected under Scenario A and B set forth in the

Tax Increment and Special Tax Report, but is anticipated to be levied and collected in certain years under Scenario C set forth in the Tax Increment and Special Tax Report. See "APPENDIX A — Tax Increment and Special Tax Report" hereto.

Under State law, all unpaid taxes on real property (including the ad valorem taxes and any Special Tax) constitute a lien on real property. A list of all real property on which taxes levied by the County have not been paid and are in arrears will be turned over to the official of the County responsible for the sale of tax delinquent property as provided by State law. Under the County Code, if any real property taxes remain unpaid as of March 1 of the year following the year in which the taxes were levied, the County is required to sell the property at a tax sale prior to the last Wednesday in August. Prior to selling any property at the County tax sale to satisfy the tax obligations then due on such property, the County first will certify the amount of taxes in arrears on the property, including the ad valorem taxes and any Special Tax or other taxes. Thereafter, the County will notify by mail the person last appearing as the owner of the property on the County's tax roll that the property on which the property tax is in arrears will be sold at public auction in order to satisfy the entire amount of taxes then due, including the ad valorem taxes and any Special Tax, and any interest and penalties then due. Beginning April 1st, additional charges are added to the property tax bill for the cost of tax sale preparation. The delinquent properties are advertised for sale for at least four weeks prior to the sale. The County has covenanted in the Indenture to comply with all requirements of the Tax Increment Financing Act and Special Taxing District Act so as to assure timely collection of the District Tax Revenues and to enforce the payment of delinquent taxes. The County has further covenanted in the Indenture that, in the event that any property in the District that has been offered for sale for nonpayment of taxes has not been purchased by a private purchaser, the County will use reasonable efforts to continue to offer or to cause to be continued to be offered the property at tax sale until sold to a private purchaser.

**No assurances can be given that the real property subject to sale will be sold or, if sold, that the proceeds of such sale will be sufficient to pay any delinquent real property tax including ad valorem tax installments and any Special Tax installment. Neither the Acts nor the provisions of the Tax-Property Article of the Annotated Code of Maryland pertaining to tax sales require the County to pay the delinquent real property tax including the ad valorem tax and any Special Tax relating to any lot or parcel of property offered for tax sale if there is no purchaser at such tax sale. The Special Taxing District Act does specify that in the case of delinquency, the Special Tax will have the same lien priority as ad valorem property taxes.**

If the Series 2024 Debt Service Reserve Fund is depleted and delinquencies in the payment of the District Tax Revenues exist, there could be a default or delay in payments to the Bondholders pending a tax sale of the property or foreclosure proceedings and receipt by the County of delinquent District Tax Revenues, if any. However, in the event that the Tax Increment Revenues are insufficient, the County may, within the limits of the Rate and Method and the Acts, adjust the Special Tax levied on all District property in future Fiscal Years to provide an amount, taking into account such delinquencies, required to pay debt service on the 2024 Bonds and to replenish the Series 2024 Debt Service Reserve Fund.

The following table presents information with respect to the County's tax levies and tax collections as collected by the County for the last five Fiscal Years, including taxes collected and delinquent as a percentage of that Fiscal Year's total tax levy.

| ***Fiscal Year Ended June 30*** | ***Taxes Levied for Fiscal Year*** | ***Taxes Collected within Fiscal Year*** | ***Percentage of Levy Collected within FY*** | ***Percentage of Levy Collected to Date*** |
|---|---|---|---|---|
| 2019 | $663,038,666 | $656,951,368 | 99.08% | 99.30% |
| 2020 | $677,030,343 | $671,983,399 | 99.25% | 99.55% |
| 2021 | $697,366,167 | $690,343,014 | 98.99% | 99.82% |
| 2022 | $767,640,195 | $762,776,281 | 99.37% | 99.37% |
| 2023 | $774,872,843 | $768,980,607 | 99.24% | 99.24% |

Source: Howard County, MD Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2023. Taxes levied represent the total adjusted levy. Percentage of levy collected to date includes penalties and interest levied and collected.

**Timeline for Collection of Taxes**

The following is a summary of the timeline for the collection of taxes on the Site as applied to the 2024 Bonds:

| ***Process*** | ***Date*** |
|---|---|
| Assessment notification mailed to property owners | Late December |
| Valuation date (Date of Finality) for real property[1] | January 1 |
| Deadline for out-of-cycle appeals | 1st Business Day following January 1 |
| Deadline for appealing reassessment notices mailed the prior December | Mid-February |
| Homeowners' tax credit applications received by this date will have credits reflected on property tax bills, if eligible | April 15 |
| Director of Finance calculates and mails tax bills | July 1 |
| 2024 Bonds Interest Payment Date | August 15 |
| Deadline to pay first installment of County taxes (owner-occupied and owners of commercial property whose property taxes do not exceed $100,000) | September 30 |
| Deadline to pay real property taxes without penalty (owners of commercial property whose property taxes exceed $100,000) | September 30 |
| Deadline to submit homeowners' and renters' tax credit applications and real property exemptions | October 1 |
| Deadline to pay final installment of County taxes (owner-occupied and owners of commercial property whose property taxes do not exceed $100,000) | December 31 |
| 2024 Bonds Principal and Interest Payment Date | February 15 |
| Final legal notice mailed to property owners who have not yet paid taxes | March 1 |
| Publication of delinquent properties in Howard County Times/Columbia Flyer | Early March |
| Deadline to pay taxes prior to tax sale | April 30 |
| Tax sale[2] | May 1 |

[1] Valuation date (Date of Finality) for real property reflects property for which assessment notices were mailed in late December.
[2] County law provides that the tax sale shall be held no earlier than the third Wednesday in April and no later than the last Wednesday in August.

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## ANNAPOLIS JUNCTION TOWN CENTER DEVELOPMENT

The information appearing below under this heading has been furnished by the Developer for inclusion in this Official Statement and is believed to be reliable. No person other than the Developer makes any representation or warranty as to the accuracy or completeness of such information supplied by it.

**The Development**

*General*

The Development is a transit-oriented development and a mixed-use project located at the Maryland Area Regional Commuter ("MARC") Savage Commuter Rail Station (the "Savage MARC Station") on an approximately 18.83-acre site (the "Site"). The Site is coterminous with the District. The Development is located in the southeastern part of Howard County, Maryland, and is bounded by Dorsey Run Road on the west, Henkel Lane on the northeast, and the CSX rail property and the Anne Arundel County boundary on the South. See local maps on pages i and ii of this Official Statement.

The Development is strategically located in the Baltimore-Washington corridor and is highly visible from Maryland Route 32. The Development is approximately 20 miles from downtown Baltimore and approximately 25 miles from downtown Washington, D.C. The Site is just over one mile from Fort Meade, one of the nation's largest military installation, which includes the headquarters of the National Security Agency, the United States Cyber Command, the Defense Courier Service, Defense Information Systems Agency, the U.S. Navy's Cryptologic Warfare Group Six, the Defense Information School, the Defense Media Activity, and the United States Army Field Band. Fort Meade has more than 50,000 employees (service members and civilians) and is the largest employer in Maryland and one of the largest installations by employee population in the Army.

Embedded in and part of the Development is the Savage MARC Station, which provides commuter rail service between Washington, D.C. and Baltimore with the ability to connect to the national rail network. The MARC line that serves this station – the "Camden" line – runs between Union Station in Washington, D.C. to the south, where it connects to the D.C. Metrorail subway network, and the Inner Harbor/Camden Yard area of downtown Baltimore to the north, where it connects to Baltimore's light rail system. This line also has several stops in between Baltimore and Washington, including University of Maryland at College Park. MARC currently operates train service each way on this line on weekdays for rail commuters parking at the Savage MARC Station daily. This proximity and connection between government and defense contractors in Washington D.C. and Northern Virginia with Fort Meade and the National Security Agency is an important factor in the location of the District.

The Developer has developed the Site as a mixed-use development comprised of (a) a residential apartment structure known as The Residences at Annapolis Junction with 416 apartment units and 624 structured parking spaces (the "Residential Structure"), (b) approximately 100,000 square feet of Class A office space (the "Office Structure"), (c) approximately 5,400 square feet of in-line retail space (the "Retail Structure"), (d) a structured parking garage with 575 spaces (the "Commercial Garage Structure") and (e) a 704-space MARC commuter parking garage (the "Commuter Parking Garage"). Additionally, the Developer has completed all of the infrastructure financed with the proceeds of the 2014 Bonds.

The Developer anticipates additional development of the Site over the next three to five years dependent upon market conditions, available financing at competitive levels, and County approvals, including the issuance of permits by the County:

1. Commercial Garage Structure was expanded by 90 parking spaces to 575 parking spaces during 2023 and 2024.
2. A new parking garage with approximately 376 parking spaces.
3. Approximately 7,729 square feet of additional retail space (2 restaurants).
4. Approximately 300 apartment homes.
5. Approximately 110 hotel rooms.

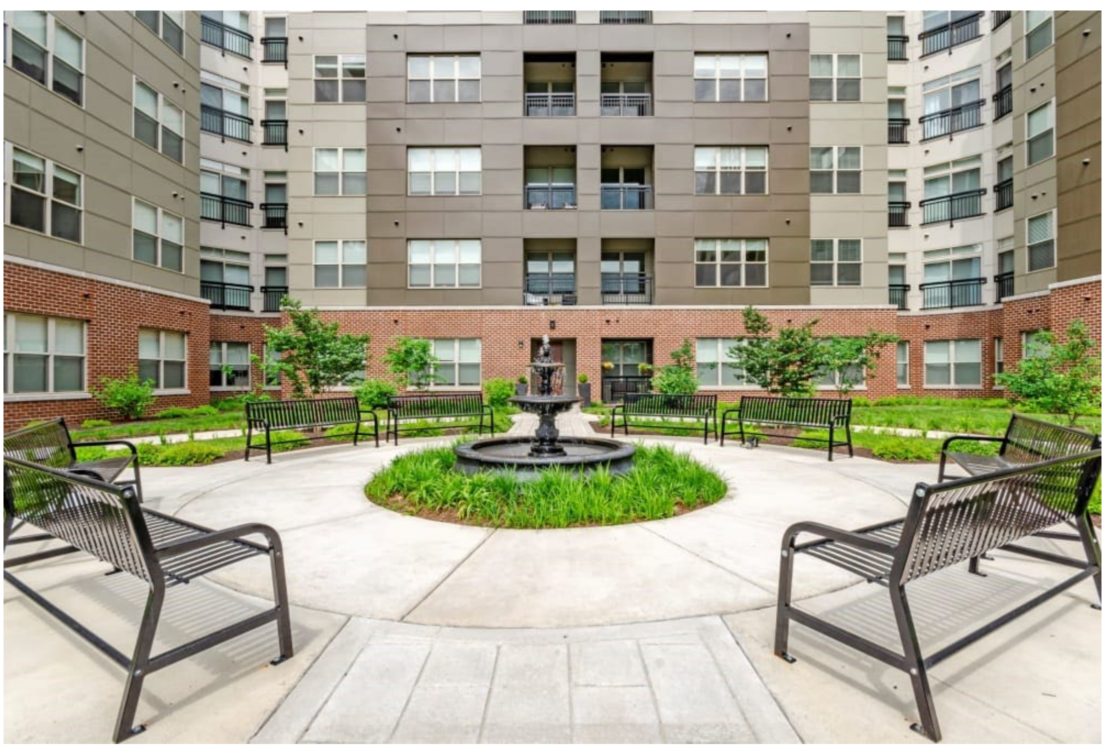
Images of the Site and Development are shown on the following page.


*Residential Structure.* The Residential Structure includes 416 apartments in a "Texas donut" configuration built around a multi-storied structured parking garage (which is separate from the Commercial Parking Structure) and was completed in 2017. The Residential Structure is in the southern corner of the property and fronts along Junction Drive, Henkels Lane and Dorsey Run Road. The apartment complex wraps around the garage, which is accessible on each of the floors of the complex. In 2022, the Developer sold the Residential Structure to an unaffiliated entity.

The Residential Structure includes 384 market rate units and 32 moderate income housing units. The unit mix includes 45 studio apartments, 151 one-bedroom apartments, 95 one-bedroom apartments with either a balcony or a den, and 125 two-bedroom apartments (47 of which have balconies).

Amenities at the Residential Structure include large courtyards, individual storage units, a large clubhouse, a fitness center, a large pool and a large pool courtyard, a media room, a game room, a pet grooming facility and walking yard, a fire pit courtyard, a bocce ball court, and a library. The Residential Structure achieved LEED Gold classification in 2018.

Images of the Residential Structure are shown below.

*Office Structure*. The Office Structure consists of four stories and includes approximately 100,000 square feet of Class A office space and was completed in 2017. The Office Structure is in the southeastern corner of the Site fronting Henkels Lane. The Office Structure is served by a limited surface parking lot and by the Commercial Garage Structure. In 2016, the Developer sold the pad site on which the Office Structure is located to an unrelated third party, in which Neil Greenberg has a minority interest. As of March 31, 2024, to the Developer's knowledge, the Office Structure is 100% occupied.

Images of the Office Structure are shown below.


*Retail Structure*. The Retail Structure includes approximately 5,420 square feet of retail space. The Retail Structure is owned by Annapolis Junction Town Center, LLC and fronts along Junction Drive. The Retail Structure was completed in 2017 and is served by the Commercial Garage Structure. As of March 31, 2024, the sole tenant of the Retail Structure is Andrew Graznow operating three restaurants: Pepperjacks Subs, The Coffee House and Notch 8 Brewery. As of March 31, 2024, the Retail Structure is 100% occupied. The lease term of the lease of the Retail Structure is scheduled to expire in 2026.

*Commercial Garage Structure*. The Commercial Garage Structure is a three-story, 575-space garage and surface parking lot. The initial structure was completed in 2016. An expansion of the structure to include an additional 90 spaces was completed in May 2024 (with use and occupancy permits forthcoming). The Commercial Garage Structure is located in the southern corner of the Site and abuts along a CSX rail line. The Commercial Garage Structure serves as the main parking available for the Office Structure and the Retail Structure. The Commercial Garage Structure is currently owned by the owner of the Office Structure.

*Commuter Parking Garage*. The Commuter Parking Garage is a 704-space garage located on approximately 3.43 acres of land adjoining a CSX rail line. Completed in 2015, the Commuter Parking Garage is located in the southern corner of the Site and fronts along Dorsey Run Road and Junction Drive. The Commuter Parking Garage serves as the main parking available for the Savage MARC Station and is owned by the Maryland Department of Transportation.

**Future Development**

The Developer expects to undertake additional residential and commercial development of the Site within the District. The additional development is planned to include 300 apartment units, a 110-room hotel, two restaurants and a new parking garage. The Developer intends to break ground on the additional development once designs are approved, favorable financing terms are obtained, and permits are issued by the County. The additional development is currently in a design stage. The land use contemplated by the additional development is permitted under the land use entitlements, and the Developer intends to apply for building permits on a timetable consistent with the Developer's anticipated timetable for future development. The Developer intends to approach commercial lenders regarding financing options once the overall interest rate environment becomes more favorable. As such, although the Developer generally anticipates that the completion of the future development will last between three to five years, there is currently no specific timetable for the additional development as of May 31, 2024.

*The Public Private Partnership Agreement*

The Development is a transit-oriented development authorized under the Transportation Public-Private Public Partnership Agreement between the Maryland Department of Transportation and the Developer (a predecessor entity) executed in 2007 and amended by the parties in 2013 (the "Agreement"). Under the Agreement, the Project was to be substantially completed in four phases:

Phase I -Commuter Parking Garage
Phase II – Residential Structure
Phase II-A – Retail Structure (Originally 14,000 square feet)
Phase III – Pad sites for remaining development (bank, hotel, miscellaneous retail)

The Developer met its obligations for Phases I and II, completed the Phase III Office Structure with the associated parking garage, and completed approximately 5,400 square feet of in-line retail. The hotel and remaining retail were consolidated into a single parcel that will now include approximately 300 apartments, 2 restaurants, 110 hotel rooms and a new parking garage. The addition of the apartments and the garage were not contemplated by the Agreement but, when completed, will add incremental value to the Development.

Under the Agreement, the State established March 31, 2024 as the outside completion date for the entire development. The date was not achieved due to several factors including the COVID pandemic, inflation and increasingly higher interest rates. Under the Agreement, the State may elect to obtain specific performance as its only remedy for the failure to complete the bank, hotel and miscellaneous retail on or before March 31, 2024. As of June 1, 2024, the State has not issued any notice of default and has not pursued its exclusive remedy under the Agreement. The State has approved in principle the design for the consolidated parcel with the anticipated development of the hotel, two restaurants, and the apartment complex with a parking garage.

The Developer is seeking State approval for an additional five year extension to the completion date to coincide with the anticipated construction of the remaining improvements as set forth above.

**The Developer**

Annapolis Junction Town Center, LLC (the "Developer"), a Maryland limited liability company, is the developer of Annapolis Junction Town Center. The Developer is a single-purpose entity created for the purpose of owning the property within the Development and developing, operating, managing and financing the Development.

The Developer is primarily owned and controlled by Somerset Savage, LLC ("Somerset Savage"). Somerset Savage is controlled by the manager of Somerset Construction Company ("Somerset"), Neil A. Greenberg. Somerset Savage is owned by the family trusts of Neil A. Greenberg and Michael Carothers, who own Somerset.

Founded in 1993, Somerset is a regional development company that has received several honors for its developments, including The Arbors at Baltimore Crossroads and The Arbors of Arundel Preserve. Somerset focuses on the development of large scale, mixed-use projects. In addition to its work at the Development, Somerset served as the master developer of the 1,100-acre Arundel Mills development in Anne Arundel County, Maryland. Arundel Preserve within Arundel Mills is a 268-acre mixed-use community with over 2,000,000 square feet of office space, 250,000 square feet of retail space, 3 hotels, 1,068 apartment homes, 390 town homes and 47 single family homes. Within Arundel Mills, Somerset (through an affiliate) also served as the co-developer and is the current co-owner of office/flex space at Arundel Overlook, which has approximately 310,000 square feet of office/flex space buildings.

Somerset (through an affiliate) also served as the master developer of the 1,000-acre Greenleigh (formerly Baltimore Crossroads @ 95) mixed-use community in White Marsh, Baltimore County, Maryland ("Baltimore Crossroads"). Baltimore Crossroads is located along I-95 and includes over 6,500,000 square feet of office, flex, research and development, warehouse, industrial, hotel, retail, luxury apartment homes, single family homes, townhomes and condominiums.

## THE DEVELOPMENT DISTRICT, THE SPECIAL TAXING DISTRICT AND DISTRICT TAX REVENUES

**The Development District and Special Taxing District**

The Development District and the Special Taxing District were formed pursuant to the Tax Increment Financing Act and the Special Taxing District Act, respectively. The Acts provide an alternative method of financing public infrastructure improvements.

**Estimated Tax Increment Revenues**

A projection of the expected Tax Increment Revenues and debt service coverage on the 2024 Bonds prepared by MuniCap, Inc. is found in "APPENDIX A — Tax Increment and Special Tax Report" hereto. The following tables have been developed in connection with that report and show the projected debt service coverage on the 2024 Bonds as well as the projected Tax Increment Revenues and projected Special Tax Revenues under scenarios A, B and C. See "INTRODUCTION — Tax Increment and Special Tax Report."

*Historical Assessed Value*

The table below outlines the historical growth of the incremental assessed value generated by the Development.

**Historical Appreciation of Incremental Assessed Value**

| Fiscal Year | Cumulative Assessed Value[1] | Less Base Value | Year to Year Growth Rate (%) |
|---|---|---|---|
| 2019 | $88,136,867 | ($1,608,000) | |
| 2020 | $93,357,400 | ($1,608,000) | 5.9% |
| 2021 | $99,660,666 | ($1,608,000) | 6.8% |
| 2022 | $105,692,134 | ($1,608,000) | 6.1% |
| 2023 | $111,723,600 | ($1,608,000) | 5.7% |
| 2024 | $127,192,100 | ($1,608,000) | 13.8% |

[1]Assessed values do not include tax-exempt parcels.
Source: MuniCap, Inc.

*Major Taxpayers*

The table below outlines the top taxpayers assessed value as a percentage of incremental assessed value.

| Parcel | Property Owner | Assessed Value[1] | Estimated Tax Increment Revenues (2024) | Percent of Total Value | Debt Service Coverage (BYE 2025) |
|---|---|---|---|---|---|
| 06-403344 | Annapolis Galaxy DE LLC, Annapolis Highland DE LLC | $106,378,433 | $1,065,040 | 84% | 91% |
| 06-403085 | Junction Crossing LLC | $18,615,500 | $186,375 | 15% | 16% |
| 06-583784 | Maryland Dept. of Transportation State Railroad Administration | $0 | $0 | 0% | 0% |
| 06-595980 | Annapolis Junction Town Center LLC | $412,900 | $4,134 | 0% | 0% |
| 06-595981 | Annapolis Junction Town Center LLC c/o St John Properties | $969,967 | $9,711 | 1% | 1% |
| 06-595982 | Annapolis Junction Town Center LLC | $768,954 | $7,797 | 1% | 1% |
| 06-595983 | Annapolis Junction Town Center LLC | $36,500 | $365 | 0% | 0% |
| Total | | $127,182,254 | $1,273,422 | 100% | 109% |

Source: MuniCap, Inc.
[1]Source: Maryland Department of Assessments and Taxation. Assessed values shown as of 7/1/2023.

*Value to Lien Ratio*

The table below shows the value to lien based on FY 2024 assessed value.

**Aggregate Value to Lien – 2024 Bonds Only**

| | |
|---|---|
| FY 2024 Certified Assessed Value | $127,192,100 |
| 2014 Bonds Par Amount Outstanding | $16,145,000 |
| ***Value to Lien*** | ***7.8:1*** |

Source: MuniCap, Inc.

**Rate and Method of Apportionment of Special Taxes**

The following description of the "Howard County, Maryland Annapolis Junction Town Center Special Taxing District Rate and Method of Apportionment of Special Taxes" (the "Rate and Method") is qualified in its entirety by reference to the full text of the document included in APPENDIX B. Capitalized terms not otherwise defined in this section or in the Indenture have the meaning given to them in the Rate and Method.

**Annual Special Tax Requirement.** The Special Tax has been levied on the parcels of taxable property in accordance with the Rate and Method. The County has covenanted in the Indenture that so long as any 2024 Bonds are outstanding, it will comply in all material respects with the Acts and the Rate and Method to the extent required to assure the timely collection of the Tax Increment Revenues and the Special Tax Revenues for the payment of the 2024 Bonds. The Acts, the Ordinance and the Refunding Bond Ordinance provide that the County shall levy the Special Tax against the parcels of taxable property within the Special Taxing District according to the Rate and Method in each Fiscal Year in which the Tax Increment Revenues are insufficient to pay debt service on the 2024 Bonds in the corresponding bond year, to the extent necessary and permitted by the Acts and subject to the Maximum Special Tax in order to yield an amount (the "Special Tax Requirement") equal to (A) the amount required in such Fiscal Year to pay (1) debt service and other periodic costs (including deposits to any sinking funds) on the 2024 Bonds to be paid from the Special Taxes collected in such Fiscal Year, (2) Administrative Expenses to be incurred in the Fiscal Year or incurred in any previous Fiscal Year and not paid by Special Taxes in such previous Fiscal Year, (3) amounts required to replenish any reserve fund established in association with the 2024 Bonds, (4) an amount equal to the estimated delinquencies expected in payment of the Special Tax or other contingencies as deemed appropriate, and (5) the costs of remarketing, credit enhancement, bond insurance, and liquidity facility fees (including such fees for instruments that serve as the basis of a reserve fund related to any indebtedness in lieu of cash); less, (B) (1) Tax Increment Revenues available to apply to the Special Tax Requirement for that Fiscal Year, (2) any credits available pursuant to the Indenture, such as reserves and investment earnings on any account balances, and (3) any other revenues available to apply against the Special Tax Requirement.

The Special Tax Requirement allows Special Taxes to be levied up to the Adjusted Maximum Special Tax to replenish the Series 2024 Debt Service Reserve Fund and to cover estimated delinquencies in payment of the Special Tax on the 2024 Bonds.

**Maximum Special Tax.** The Maximum Special Tax for the 2024-2025 Fiscal Year for each parcel of taxable property will be equal to the product of (a) the equivalent units built or expected to be built on such parcel divided by the total equivalent units estimated for all of the parcels in the District and (b) the Maximum Special Tax for the District, as described in the Rate and Method. On each July 1, commencing July 1, 2014, the Maximum Special Taxes shown in the Rate and Method will be increased to 102% of the respective Maximum Special Taxes in effect in the previous Fiscal Year.

The Adjusted Maximum Special Tax for each parcel will be equal to the lesser of (but not less than zero) (i) the Maximum Special Tax for the parcel and (ii) the Maximum Special Tax less the Tax Increment Revenues related to the parcel available to repay the 2024 Bonds.

The Rate and Method provides that the Maximum Special Taxes may be reduced by the County's Director of Finance to reflect the actual debt service on the 2024 Bonds. See "APPENDIX B — Rate and Method of Apportionment of Special Taxes — Section G — Reduction in the Maximum Property Tax Rate."

**Levy and Collection of the Special Tax.** The Special Tax has been levied in an amount equal to the Maximum Special Tax for each parcel each year as of the Commencement Date Fiscal Year through the Termination Date. The Director of Finance will determine the amount of the Special Tax to be collected each year, which amount may be less but not more than the Maximum Special Tax, through the application of the procedures described in the Rate and Method.

The Maximum Special Tax for each parcel is reduced by a Special Tax credit. The resulting Special Tax is referred to as the Adjusted Maximum Special Tax. The Special Tax credit is equal to the Tax Increment Revenues collected from a parcel and paid into the Tax Increment Fund and thereby available to apply to the payment for debt service on the 2024 Bonds for that Fiscal Year. Special Taxes are to be collected each Fiscal Year from each parcel of taxable property in an amount up to the Adjusted Maximum Special Tax to the extent necessary to fund the Special Tax Requirement.

Commencing with the Commencement Date and for each following Fiscal Year through the Termination Date, the Director of Finance will determine the Special Tax Requirement, if any, for the applicable Fiscal Year and will collect the

Special Tax proportionately on each parcel of Taxable Property up to the Adjusted Maximum Special Tax for such property to the extent necessary to fund the Special Tax Requirement.

## RISK FACTORS

Investment in the 2024 Bonds involves certain risks. The following is a discussion of certain risk factors that should be considered, in addition to other matters set forth herein, in evaluating the investment quality of the 2024 Bonds. This discussion is not comprehensive or definitive and does not summarize all risks that may be associated with the 2024 Bonds. The occurrence of one or more of the events discussed herein could adversely affect the ability or willingness of property owners in the District to pay their general ad valorem real property taxes or any Special Tax when due. Failures to pay the real property taxes or any Special Tax could result in the inability to make full and punctual payments of debt service on the 2024 Bonds. In addition, the occurrence of one or more of the events discussed herein could adversely affect the value of the Site.

### Limited Obligations

The 2024 Bonds are payable solely from the Tax Increment Revenues, the Special Tax Revenues and certain other funds on deposit with the Trustee or which may be deposited with the Trustee in the future, including earnings and investments on funds on deposit with the Trustee.

**NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COUNTY, THE STATE, OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE 2024 BONDS, EXCEPT FOR THE TAX INCREMENT REVENUES AND THE SPECIAL TAX REVENUES. LIKEWISE, EXCEPT FOR THE TAX INCREMENT REVENUES AND THE SPECIAL TAX REVENUES, NO OTHER TAXES OR ASSESSMENTS ARE PLEDGED TO THE PAYMENT OF THE 2024 BONDS. THE 2024 BONDS ARE NOT GENERAL OBLIGATIONS OF THE COUNTY, BUT ARE SPECIAL OBLIGATIONS OF THE COUNTY PAYABLE SOLELY FROM CERTAIN AMOUNTS DEPOSITED IN THE TAX INCREMENT FUND, THE SPECIAL TAXES FUND, THE SERIES 2024 DEBT SERVICE FUND AND THE SERIES 2024 DEBT SERVICE RESERVE FUND, AS MORE FULLY DESCRIBED HEREIN.**

### Concentration of Ownership

The Developer, Junction Crossing, LLC and Annapolis Galaxy DE LLC are the sole owners of all of the taxable parcels within the District. In the normal course of development, the Developer has or expects to subsequently transfer ownership of the taxable parcels constituting the apartments (and the garage), the hotel and the retail to other developers and/or investors. However, until such transfers occur, the timely payment of the 2024 Bonds depends on the willingness and ability of the Developer and the other property owners within the District to pay general ad valorem real property taxes (from which the Tax Increment Revenues will be derived) and Special Taxes when due. Additionally, given the limited number of taxable parcels within the District, the failure of any property owner within the District to pay property taxes could have a material impact on the revenues available to pay debt service. This lack of diversity in the obligation to pay general ad valorem real property taxes and Special Taxes presents a significant risk to Bondholders. Failure of the Developer, other property owners within the District or subsequent owners to pay real property taxes and Special Taxes when due could result in the rapid, total depletion of the Series 2024 Debt Service Reserve Fund. In that event, there could be a default in payment of the principal of, premium (if any) and interest on, the 2024 Bonds.

### No Market Study, Appraisal, or Engineer's Report

No formal market studies, appraisals, or engineer's reports have been commissioned or received by the County with respect to the future development described under the heading "ANNAPOLIS JUNCTION TOWN CENTER DEVELOPMENT – Future Development."

### Risk of Catastrophic Loss

In the event a natural or manmade disaster, such as a hurricane, fire, earthquake, tornado, or war destroys the Development or the Public Improvements, the assessed value of real property within the District could be drastically reduced, leading to a corresponding decrease in the Tax Increment Revenues. There can be no assurance that the affected property owners' casualty loss will be covered by insurance (certain casualties are excepted), that the insurance companies will fulfill their obligation to provide insurance proceeds, or that the insurance proceeds will be sufficient to rebuild the affected portion of the Development. Even if insurance proceeds are available and the Development is rebuilt, there could be a lengthy period of time in which the assessed value of the real property in the District would be drastically reduced with a corresponding decrease in the Tax Increment Revenues.

**Dependence on Tax Increment Revenues**

The amount of the Tax Increment Revenues available to pay principal and interest on the 2024 Bonds is determined by the assessed value of taxable real property in the Development District, the tax rate of the County and the percentage of taxes actually collected and paid into the Tax Increment Fund. The assessed value of real property in the Development District must increase significantly and rapidly in order to produce Tax Increment Revenues sufficient to make principal and interest payments on the 2024 Bonds before application of the Special Tax without drawing upon the Series 2024 Debt Service Reserve Fund established under the Indenture.

There can be no guarantee that the property and improvements within the Development District will be assessed at the levels shown in "APPENDIX A — Tax Increment and Special Tax Report" hereto, nor can there be a guarantee that the value of the property will not decrease. Property owners have the right to protest the assessed value of their property in the Development District and are not required to tender their property for ad valorem taxation at any agreed upon level. Property values may also be adversely affected by natural or other disasters resulting in the destruction of property in the Development District. The assessed value of the property and improvements will be determined and certified in accordance with the procedures described in "SECURITY FOR THE 2024 BONDS — Assessment Procedures," and may be at a value lower than projected.

**Uncertainty of Calculation of Tax Increments**

Tax Increments are calculated based upon the Original Taxable Value in the Development District and the assessed value, from year to year, of the properties in the Development District. The method of assessing the properties in the Development District could have a significant impact on the Tax Increment Revenues that become available. The assessment method or combination of methods that the Supervisor of Assessments uses with respect to the Development District is within the discretion of the Supervisor of Assessments and may change from time to time. See "SECURITY FOR THE 2024 BONDS — Assessment Procedures." There can be no guarantee that the properties within the Development District will be assessed at the levels shown in "APPENDIX A — Tax Increment and Special Tax Report" hereto. The use of a particular method or combination of methods of assessment with respect to property in the Development District may, over time, cause a decrease in the assessable base in the Development District and, therefore, result in a reduction in the Tax Increment Revenues available to pay debt service on the 2024 Bonds. No assurances can be given that the methodology for the State assessment system currently in place will not be changed during the term of the 2024 Bonds.

**Maximum Rates**

Within the limits of the Rate and Method, the County may adjust the Special Tax levied on all property within the Special Taxing District to provide an amount required (i) to pay debt service on the 2024 Bonds and the amount, if any, necessary to replenish the Series 2024 Debt Service Reserve Fund to an amount equal to the Reserve Requirement, (ii) to pay all annual Administrative Expenses, costs of remarketing, credit enhancement, bond insurance, and liquidity fees and estimated delinquencies in Special Tax payments and (iii) to make rebate payments to the United States government. However, the amount payable is limited to the amount of the Maximum Special Tax which amount increases by 2% per year. See "SECURITY FOR THE 2024 BONDS — Special Tax Revenues" and "THE DEVELOPMENT DISTRICT, THE SPECIAL TAXING DISTRICT AND DISTRICT REVENUES — Rate and Method of Apportionment of Special Taxes."

**Failure to Develop the Development**

The development of the remaining portion of land within the Development is subject to approvals from various entities in connection with construction activity and numerous other matters. Failure to obtain any such approvals or satisfy governmental requirements could adversely affect the development of the remaining portion of land in the Development.

Development of the remaining portion of land is also subject to economic considerations. The failure to complete the remaining portions of the Development or the required infrastructure or substantial delays in the completion of the remaining portions of the Development or the required infrastructure due to litigation, the inability to obtain required funding or other causes may reduce the value of the property within the District, which will affect the Tax Increment Revenues available for the payment of the debt service on the 2024 Bonds, may affect the Special Tax Revenues that may be generated by the property in the District, and may affect the willingness and ability of the Developer or any future owner of property within the District to pay general ad valorem real property taxes or Special Taxes when due, which may result in a default in payments of the principal of, and interest on, the 2024 Bonds. In addition, the inability or delay in the completion of the remaining development will inhibit the ability of the related owners to generate income related to their portions of the remaining development. This could cause the Developer to be unable or unwilling to pay the real property taxes and Special Taxes when due, which may result in a default in payment of the principal of or interest on the Bonds.

**Commercial Failure**

The failure by the commercial lessees and property owners to operate profitably, defaults by commercial and residential lessees under the terms of their leases, the inability to recover overdue and unpaid rents or to lease space vacated by defaulting lessees, the failure to sell or to lease the commercial or residential space in the future development, or other similar factors, could adversely affect the Development and could reduce the ability or willingness of any owners of property in the District to pay the real property taxes or Special Taxes, if any, required.

Current market conditions and any decline in local economic conditions or conditions in the District could adversely affect the ability of owners to pay the real property taxes and Special Taxes, if any, or the amount realized upon any sale of the property at tax sale. The financial health of the businesses that are expected to pay any ad valorem property taxes and Special Taxes is in part dependent on the strength of the local economy. Many factors affect the local economy, including (but not limited to) rates of employment and economic growth; demographics; natural disasters; the level of residential and commercial development; federal, state, and local government spending and taxing levels. It is not possible to predict to what extent any changes in economic conditions, demographic characteristics, population or commercial and industrial activity will occur and what impact such changes could have on the assessed value of property in the District and the collection of ad valorem property taxes and Special Taxes. See "SECURITY FOR THE 2024 BONDS – Property Tax Collection Procedures" herein and "– Potential Delay and Limitations of Tax Sales" below.

In addition, any commercial failure of all or a portion of the Development, whether for reasons within or outside of the control of the Developer (such as, but not limited to, the failure of upkeep that materially affects the public infrastructure, an adverse impact on transportation to or from the Development, or a fire or other natural disaster, or with respect to the future development, the failure of construction), could adversely and materially affect the collection of District Tax Revenues. In such events, there could be a default in payment of principal of, and interest on, the 2024 Bonds.

**Competition**

Competition from similar mixed-use developments or new sources of development could adversely affect the success of the existing and future development in the Development described under the heading "ANNAPOLIS JUNCTION TOWN CENTER DEVELOPMENT" Increased competition could adversely affect the success of the Development, in numerous ways, including the failure to lease the residential and commercial units, defaults by lessees under the terms of their lease agreements, and inability of the Developer or any other owner of such units to recover overdue and unpaid rents or to lease space vacated by initial lessees. No market study was conducted with respect to the future development in the Development in connection with the issuance of the 2024 Bonds.

Further, there can be no guarantee that a market will develop for and support the future development in the Development described under the heading "ANNAPOLIS JUNCTION TOWN CENTER DEVELOPMENT – Future Development." The failure of the market to support such future development could reduce the ability or desire of the Developer or other property owners within the District to pay ad valorem real property taxes or Special Taxes.

**Dependence on Projections**

The Tax Increment and Special Tax Report contains projections of the amounts that will be available based on the assumptions set out in APPENDIX A hereto. These projections constitute "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and as such may involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance and achievements to be different from the future results, performance or achievements expressed or implied by such forward-looking statements. Investors are cautioned that the actual results could differ materially from those set forth in the forward-looking statements.

The assumptions used to make the projections were provided by the Developer. The County has not commissioned an independent feasibility analysis of any of the assumptions upon which the projections are based.

A sensitivity scenario in the Revenue Report in APPENDIX A hereto assumes that the development of the future development in the Development described under the heading "ANNAPOLIS JUNCTION TOWN CENTER DEVELOPMENT – Future Development" will occur within certain time frames. There can be no assurances that the Developer will be able to develop such future development in accordance with such assumptions which may result in the assessed property being substantially less valuable than projected and may affect the Special Tax Revenues generated by such property. A substantially lesser assessed value of property may make it less likely that the property owners in the District will pay ad valorem property taxes.

**Tax Delinquencies**

In order to pay debt service on the 2024 Bonds, it is necessary that the District Tax Revenues be paid in a timely manner. Under provisions of the Acts, the Tax Increment Revenues and any Special Tax Revenues, from which funds necessary for the payment of principal of, and interest on, the 2024 Bonds are derived, are billed to the properties within the District by the County. Any Special Tax Revenues are due and payable at the same time as regular ad valorem property tax installments. The unwillingness or inability of a property owner to pay ad valorem property tax bills and any Special Taxes as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make ad valorem real property tax payments and any Special Tax installment payments in the future. If the Developer and other owners fail to pay the ad valorem property tax installments or any Special Tax when due there could be significant tax delinquencies. See "RISK FACTORS — Concentration of Ownership."

In the event that tax sales of property are necessary, and if the Series 2024 Debt Service Reserve Fund is depleted, there could be a delay or reduction in payments to Holders of the 2024 Bonds pending such tax sales and receipt by the County of the proceeds of sale.

See "SECURITY FOR THE 2024 BONDS — Property Tax Collection Procedures" for a discussion of the provisions that apply, and procedures that the County is obligated to follow in the event of delinquencies in the payment of real property taxes or any Special Taxes. See "RISK FACTORS — Potential Delay and Limitations of Tax Sales" and "— Bankruptcy" herein for a discussion of limitations on the County's ability to recover delinquent District Tax Revenues from tax sales.

**Potential Delay and Limitations of Tax Sales**

The payment of property owners' taxes and the ability of the County to recover delinquent unpaid ad valorem taxes and any Special Taxes may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights. See "SECURITY FOR THE 2024 BONDS — Property Tax Collection Procedures" and "RISK FACTORS — Bankruptcy" herein.

The ability of the County to recover delinquent unpaid real property taxes or any Special Taxes through the sale of the related real property may be limited with regard to properties in which the Federal Deposit Insurance Corporation ("FDIC") may acquire an interest. The FDIC currently does not have an interest in the land within the District. However, if a lender takes a security interest in property in the District and becomes insolvent, such lender could fall under the jurisdiction of the FDIC. The FDIC has adopted policies regarding the payment of state and local property taxes, including ad valorem and non-ad valorem special taxes and assessments. While this federal instrumentality has acknowledged a policy of paying ad valorem and non-ad valorem special taxes and assessments in certain circumstances, it has also indicated an intention to assert federal preemptive power to challenge any prior taxes, special taxes and assessments where it is in its interest to do so, including the requirement that local governmental entities obtain the consent of the FDIC in order to sell property at tax sale to recover delinquent Special Taxes or ad valorem taxes.

In addition, potential investors should be aware that any recovery of any Special Taxes and ad valorem taxes is subject to County procedures for providing notice to record holders of the property of the pending tax sale and delays by subsequent purchasers of property at tax sale to initiate proceedings to foreclose redemption of the property. Potential investors should also be aware that during any period of time in which property offered for sale remains unsold, none of the delinquent Special Taxes and ad valorem taxes will be paid.

Delays and uncertainties in recovering delinquent District Tax Revenues create significant risks for Bondholders. District Tax Revenues payment delinquencies that continue during the pendency of protracted tax sale proceedings could result in the rapid, total depletion of the Series 2024 Debt Service Reserve Fund prior to replenishment from the resale of such property. In that event, there could be a default in payments of the principal of, and interest on, the 2024 Bonds. See "RISK FACTORS — Concentration of Ownership" above.

**No Acceleration Provision**

The 2024 Bonds and the Indenture do not contain a provision allowing for the acceleration of the 2024 Bonds in the event of a payment default or other default under the terms of the 2024 Bonds or the Indenture. Furthermore, the Indenture does not specify any events of default or remedies nor does it require the Trustee to seek any remedies. The ultimate source of recovery in the event of a default on payment of real property taxes or any Special Taxes is the tax sale provisions described under "SECURITY FOR THE 2024 BONDS — Property Tax Collection Procedures" herein.

**Bankruptcy**

The various legal opinions to be delivered concurrently with the delivery of the 2024 Bonds (including Bond Counsel's approving legal opinion) will be qualified, as to the enforceability of the various legal instruments, by moratorium, bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors.

Although a bankruptcy proceeding would not cause the District Tax Revenues to become extinguished, the amount and priority of any tax lien could be modified if the value of the property falls below the value of the lien. If the value of the property is less than the lien, such excess amount could be treated as an unsecured claim by the bankruptcy court. In addition, bankruptcy of a property owner could result in a delay in completing a tax sale of the property. Such delay would increase the likelihood of a delay or default in payment of the principal of, and interest on, the 2024 Bonds and the possibility of delinquent tax installments not being paid in full.

**Limited Secondary Market**

There can be no guarantee that there will be a secondary market for the 2024 Bonds or, if a secondary market exists, that such 2024 Bonds can be sold for any particular price. Occasionally, because of general market conditions, lack of current information, the absence of a credit rating for the 2024 Bonds or because of adverse history or economic prospects connected with a particular issue or industry, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price.

**Loss of Tax Exemption**

As discussed under the caption "TAX MATTERS," the interest on the 2024 Bonds could become includable in gross income for federal income tax purposes retroactive to the date of issuance of the 2024 Bonds as a result of a failure of the County, the Developer or the State to comply with certain provisions of the Code. Should such an event of taxability occur, the 2024 Bonds are not subject to early redemption and will remain Outstanding to maturity or until redeemed under the optional redemption or mandatory sinking fund redemption provisions of the Indenture.

**Other Taxes**

The willingness and/or ability of an owner of land within the Special Taxing District to pay the Special Taxes could be affected by the existence of other taxes, assessments and special taxes imposed upon the land by the County or the State. Special taxes and assessments and ad valorem taxes levied to pay principal of and interest on bonds including the Special Taxes are payable at one time. The County may also impose additional assessments, fees or taxes that could encumber the property burdened by the Special Taxes.

## UNDERWRITING

The 2024 Bonds are being purchased for reoffering by Mesirow Financial, Inc. (the "Underwriter"). The Underwriter has made a firm commitment to purchase the 2024 Bonds for $16,586,698.45. The purchase price reflects an original issue premium of $1,040,538.45 and an underwriter's discount of $93,840.00. The purchase contract pursuant to which the Underwriter is purchasing the 2024 Bonds provides that the Underwriter will purchase all of the 2024 Bonds if any are purchased. The obligation of the Underwriter to make such purchase is subject to certain terms and conditions set forth in such purchase contract.

The Underwriter may offer and sell the 2024 Bonds to certain dealers and others at prices different from the prices stated on the cover page of this Official Statement. The offering prices may be changed from time to time by the Underwriter.

## FINANCIAL ADVISORS

MuniCap, Inc. and Nutshell Associates, LLC are serving as co-financial advisors to the County in connection with the issuance of the 2024 Bonds.

## REVENUE CONSULTANT

MuniCap, Inc. has prepared the projections contained in APPENDIX A — Tax Increment and Special Tax Report hereto and the methodology for levying the Special Taxes contained in APPENDIX B — Rate and Method of Apportionment of Special Taxes hereto. Such projections, methodology and schedules are set forth in this Official Statement with the permission of MuniCap, Inc. The references herein to MuniCap, Inc., as the provider of such projections, methodology and schedules, have been approved by MuniCap, Inc.

## LEGAL MATTERS

McGuireWoods LLP, Baltimore, Maryland, Bond Counsel, will render an opinion with respect to the 2024 Bonds substantially in the form set forth in APPENDIX D to this Official Statement. Copies of this opinion will be available at the time of delivery of the 2024 Bonds. Matters will be passed upon for the Underwriter by Miles & Stockbridge P.C., as Counsel to the Underwriter. Certain legal matters will be reviewed for the County by the County Solicitor and McGuireWoods LLP as Disclosure Counsel, and for the Developer by Thomas & Libowitz, P.A., Baltimore, Maryland.

## TAX MATTERS

### Opinion of Bond Counsel – Federal Income Tax Status of Interest

Bond Counsel's opinion regarding the federal income tax status of the interest on the 2024 Bonds will state that, under current law and assuming continuing compliance with the Covenants (as hereinafter defined), interest on the 2024 Bonds (i) is excludable from gross income for purposes of federal income taxation under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) is not a specific item of tax preference for purposes of the federal alternative minimum tax on individuals. In addition, for taxable years beginning after December 31, 2022, such interest is included in the "adjusted financial statement income" (as defined in Section 56A of the Code) of certain corporations in determining the applicability and amount of the federal corporate alternative minimum tax imposed under Section 55(b) of the Code. See APPENDIX D – "Form of Opinion of Bond Counsel."

Bond Counsel's opinion speaks as of its date, is based on current legal authority and precedent, covers certain matters not directly addressed by such authority and precedent, and represents Bond Counsel's judgment as to the excludability of interest on the 2024 Bonds for federal income tax purposes. Bond Counsel's opinion does not contain or provide any opinion or assurance regarding the future activities of the County or about the effect of future changes in the Code, the applicable regulations, or the interpretation or the enforcement thereof by the Internal Revenue Service (the "IRS") and the courts.

Although Bond Counsel is of the opinion that interest on the 2024 Bonds is excludable from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the 2024 Bonds may otherwise affect the federal tax liability of an owner of the 2024 Bonds. The nature and extent of these other federal tax consequences depend on the owner's particular tax status and levels of other income or deductions. Bond Counsel will express no opinion regarding any such other tax consequences and prospective purchasers of the 2024 Bonds should consult their own tax advisors with respect thereto.

### Reliance and Assumptions; Effect of Certain Changes

In delivering its opinion regarding the federal income tax treatment of interest on the 2024 Bonds, Bond Counsel is relying upon certifications of representatives of the County, the Underwriter and the Developer, and other persons as to facts material to the opinion, which Bond Counsel has not independently verified.

In addition, Bond Counsel is assuming continuing compliance with the Covenants by the County. The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied after the issuance of the

2024 Bonds in order for interest on the 2024 Bonds to be and remain excludable from gross income for purposes of federal income taxation. These requirements include, by way of example and not limitation, restrictions on the use, expenditure and investment of the proceeds of the 2024 Bonds and the use of the property financed or refinanced by the 2024 Bonds, limitations on the source of the payment of and the security for the 2024 Bonds, and the obligation to rebate certain excess earnings on the gross proceeds of the 2024 Bonds to the United States Treasury. The tax compliance agreement for the 2024 Bonds contains covenants (the "Covenants") under which the County has agreed to comply with such requirements. Failure by the County to comply with the Covenants could cause interest on the 2024 Bonds to become includable in gross income for federal income tax purposes retroactively to their date of issue. If such a failure were to occur, the available enforcement remedies may be limited by applicable provisions of law and, therefore, may not be adequate to prevent interest on the 2024 Bonds from becoming includable in gross income for federal income tax purposes.

Bond Counsel has no responsibility to monitor compliance with the Covenants after the date of issue of the 2024 Bonds.

Certain requirements and procedures contained, incorporated or referred to in the tax compliance agreement, including the Covenants, may be changed and certain actions may be taken or omitted subject to the terms and conditions set forth in such agreement. Bond Counsel expresses no opinion concerning any effect on the excludability of interest on the 2024 Bonds from gross income for federal income tax purposes of any such subsequent change or action that may be made, taken or omitted upon the advice or approval of counsel other than Bond Counsel.

**Certain Collateral Federal Tax Consequences**

The following is a brief discussion of certain collateral federal income tax matters with respect to the 2024 Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner thereof. Prospective purchasers of the 2024 Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning or disposing of the 2024 Bonds.

Prospective purchasers of the 2024 Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers including, without limitation, banks and other financial institutions, certain insurance companies, dealers in tax-exempt obligations, certain corporations (including S corporations and foreign corporations), certain foreign corporations subject to the "branch profits tax," individual recipients of Social Security or Railroad Retirement benefits, owners of an interest in a financial securitization trust, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations and taxpayers attempting to qualify for the earned income tax credit.

**Original Issue Discount**

2024 Bonds purchased in the initial public offering with yields higher than their applicable interest rates, as shown on the inside cover page hereof, have been sold with "original issue discount." Each such 2024 Bond is referred to below as an "OID Bond." The excess of (i) the stated amount payable at the maturity (excluding qualified stated interest) of any OID Bond over (ii) the issue price of the OID Bond as determined under Section 1273 of the Code (which may differ from the price shown on the inside front cover page of this Official Statement) constitutes the amount of original issue discount, which is treated in the same manner as interest on the 2024 Bonds for federal income tax purposes.

The Code provides that the amount of original issue discount accrues in accordance with a constant interest method based on the compounding of interest. In the case of an original owner of an OID Bond, the amount of original issue discount that is treated as having accrued on such OID Bond is added to the owner's adjusted basis in determining, for federal income tax purposes, gain or loss upon the disposition of the OID Bond (including its sale, redemption or payment at maturity). The amounts received upon such disposition that are attributable to accrued original issue discount will be excludable from the gross income of the owner for federal income tax purposes.

The accrual of original issue discount and its effect on the redemption, sale or other disposition of OID Bonds that are not purchased in the initial public offering may be determined according to rules that differ from those described above.

In addition, original issue discount that accrues in each year to an owner of an OID Bond is included in the calculation of the distribution requirements of certain regulated investment companies and may result in some of the collateral federal income tax consequences discussed in this section. Consequently, the owner of an OID Bonds should be aware that the accrual of original issue discount in each year may result in additional distribution requirements or other collateral federal income tax consequences although such owner has not received cash attributable to such original issue discount in such year.

Prospective purchasers of OID Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of the original issue discount accrued upon sale or redemption of such OID Bonds (including OID Bonds not purchased in the initial public offering) and with respect to the state and local tax consequences of owning OID Bonds.

**Original Issue Premium**

2024 Bonds purchased in the initial public offering with yields lower than their applicable interest rates, as shown on the inside cover page hereof, have been sold with "bond premium." Each such 2024 Bond is referred to below as an "OIP Bond." The excess of (i) the owner's basis in the OIP Bond immediately after acquisition over (ii) the amount payable at maturity (excluding qualified stated interest) as determined under Section 171 of the Code constitutes the amount of the bond premium. Under the Code, the bond premium is amortized based on the owner's yield over the remaining term of the OIP Bond (or, in the case of certain callable OIP Bonds, to an earlier call date that results in a lowest yield on the OIP Bond). The owner of an OIP Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period against the bond premium allocable to that period. No deduction is allowed for such amortization of bond premium even though the owner is required to decrease the adjusted basis in the owner's OIP Bond by the amount of the amortizable bond premium, which will result in an increase in the gain (or decrease in the loss) recognized for federal income tax purposes upon a sale or disposition of the OIP Bond prior to its maturity.

Prospective purchasers of any OIP 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, sale, exchange, or other disposition of, and amortization of bond premium on, such OIP Bonds.

**Information Reporting and Backup Withholding**

Prospective purchasers should be aware that the interest on the 2024 Bonds is subject to information reporting to the IRS in a manner similar to interest paid on taxable obligations. In addition, interest on the 2024 Bonds may be subject to backup withholding if the interest is paid to an owner who or which (i) is not an "exempt recipient" and (ii) (a) fails to furnish an accurate U.S. taxpayer identification number in the manner required, (b) has been notified of a failure to report all interest and dividends required to be shown on federal income tax returns or (c) fails to certify under penalty of perjury that the owner is not subject to withholding. Individuals generally are not exempt recipients, although corporations and other entities generally are.

The reporting and backup withholding requirements do not in and of themselves affect the excludability of interest on the 2024 Bonds from gross income for federal income tax purposes, and amounts withheld under the backup withholding rules may be refunded or credited against the owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS.

**Internal Revenue Service Audits**

The IRS has established a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the 2024 Bonds, the IRS will, under its current procedures, treat the County as the taxpayer. As such, the beneficial owners of the 2024 Bonds will have only limited rights, if any, to participate in the audit or any administrative or judicial review or appeal thereof. Any action of the IRS, including but not limited to the selection of the 2024 Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the marketability or market value of the 2024 Bonds.

**Tax Exemption – State of Maryland Taxation**

Bond Counsel's opinion will also state that, by the current terms of the Act, the principal of and interest on the 2024 Bonds, the transfer of the 2024 Bonds, and any income derived from the 2024 Bonds, including profits made in their sale or transfer, are exempt from State and local taxes in the State of Maryland; however, the terms of the Acts do not expressly refer to, and no opinion is expressed concerning, estate or inheritance taxes or any other taxes not levied or assessed directly on the 2024 Bonds, the interest thereon, their transfer or the income therefrom.

Interest on the 2024 Bonds may be subject to state or local income taxes in jurisdictions other than the State of Maryland under applicable state or local tax laws. Such holders or prospective purchasers of the 2024 Bonds should consult their own tax advisors with respect to the tax status of the interest on 2024 Bonds in jurisdictions other than the State of Maryland.

**Changes in Federal and State Tax Law and Regulations**

Legislation affecting tax-exempt obligations is regularly considered by the U.S. Congress and various state legislatures. Such legislation may effect changes in federal or state income tax rates and the application of federal or state income tax laws (including the substitution of another type of tax), or may repeal or reduce the benefit of the excludability of interest on the tax-exempt obligations from gross income for federal or state income tax purposes.

The U.S. Department of the Treasury and the IRS and state regulatory authorities are continuously drafting regulations to interpret and apply the provisions of the Code and state law and court proceedings may be filed the outcome of which could modify the federal or state tax treatment of tax-exempt obligations.

There can be no assurance that legislation proposed or enacted after the date of issue of the 2024 Bonds, regulatory interpretation of the Code or state laws or actions by a court involving either the 2024 Bonds or other tax-exempt obligations will not have an adverse effect on the Bonds' federal or state tax status, marketability or market price or on the economic value of the tax-exempt status of the interest on the 2024 Bonds.

Prospective purchasers of the 2024 Bonds should consult their own tax advisors regarding the potential consequences of any such proposed or pending federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

## LITIGATION

There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending against the County with respect to which the County has been served with process or, to the County Solicitor's knowledge, threatened against the County, affecting the existence of the County, the Development District, Special Taxing District or the titles of its officers to their respective offices or seeking to restrain or to enjoin the sale or delivery of the 2024 Bonds, the application of the proceeds thereof in accordance with the Indenture, or the collection or application of any revenues provided for the payment of the 2024 Bonds, or in any way contesting or affecting the validity or enforceability of the 2024 Bonds, the Indenture, any action of the County contemplated by any of the said documents, or the collection or application of any revenues provided for the payment of the 2024 Bonds, or in any way contesting the completeness or accuracy of this Official Statement or any amendment or supplement hereto, or contesting the powers of the County or its authority with respect to the 2024 Bonds or any action of the County contemplated by any of said documents.

There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or threatened by or against the Developer: (i) in any way questioning the due formation and valid existence of the Developer or its ability to pay taxes; (ii) in any way questioning or contesting the validity of any governmental approval of any development by the Developer within the Development District or the Special Taxing District or any aspect thereof; or (iii) that would have a material adverse effect upon the financial condition of the Developer or the ability of the Developer to undertake any development within the District.

## RATING

Moody's Investors Service, Inc. ("Moody's") has assigned a rating to the Bonds as shown on the cover of this Official Statement. Such rating reflects only the views of such organization and any desired explanation of the significance of such rating should be obtained from Moody's at the following address: Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. Generally, rating agencies base their ratings on the materials and information furnished to them, as well as investigations, studies and assumptions of the rating agencies. Such rating may be changed at any time, and no assurance can be given that it will not be revised downward or withdrawn by the rating agency if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of one or more such ratings could have an adverse effect on the market price of the 2024 Bonds.

## CONTINUING DISCLOSURE

The County and the Developer have agreed to provide certain financial information, operating data and event disclosures in order to enable the Underwriter to comply with the requirements of the Rule 15c2-12 of the U.S., Securities and Exchange Commission. See “APPENDIX E – Proposed Form of Developer’s Continuing Disclosure Agreement” and “APPENDIX F – Proposed Form of County’s Continuing Disclosure Agreement” hereto for specific provisions regarding the Developer’s and the County’s obligations to provide continuing disclosure.

Except as otherwise disclosed herein, during the last five years, the County has not failed to comply in any material respect with the terms and provisions of previous continuing disclosure agreements entered into in order to comply with the requirements of Rule 15c2-12. Although the County has timely filed complete information required by its continuing disclosure undertakings, in certain instances, the County may not have associated all filings with all outstanding issues for which such filings may have been required. The County has made supplemental filings with EMMA to provide information to correct these filings.

In the last five years, the Developer has complied with its continuing disclosure undertakings made pursuant to Rule 15c2-12.

## CERTAIN RELATIONSHIPS

David Sheehan, an attorney at the law firm of Thomas & Libowitz, P.A., serving as Developer’s Counsel, is the father of Christopher Sheehan, Managing Director at Mesirow Financial, Inc., the Underwriter. Messrs. Sheehan and Sheehan are actively involved in the matters pertaining to the issuance of the 2024 Bonds.

Miles & Stockbridge P.C. serves as counsel to the Underwriter and the Trustee. Miles & Stockbridge P.C. also represents the County from time to time on unrelated matters.

## MISCELLANEOUS

The quotations from and summaries and explanations of the Indenture and other statutes and documents contained herein do not purport to be complete, and reference is made to such documents, the Indenture and statutes for full and complete statements of their provisions.

This Official Statement is submitted only in connection with the offering of the 2024 Bonds by the Underwriter. All estimates, assumptions, statistical information and other statements contained herein, while taken from sources considered reliable, are not guaranteed by the County or the Underwriter. The information contained herein should not be considered as representing all conditions affecting the County, the District or the 2024 Bonds.

This Official Statement does not constitute a contract with the purchasers of the 2024 Bonds.

Any statements made in this Official Statement involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

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The execution and delivery of this Official Statement have been approved by Howard County, Maryland.

**HOWARD COUNTY, MARYLAND**

By: *\/s\/ Calvin Ball*
County Executive

By: *\/s\/ Rafiu Ighile*
Director of Finance

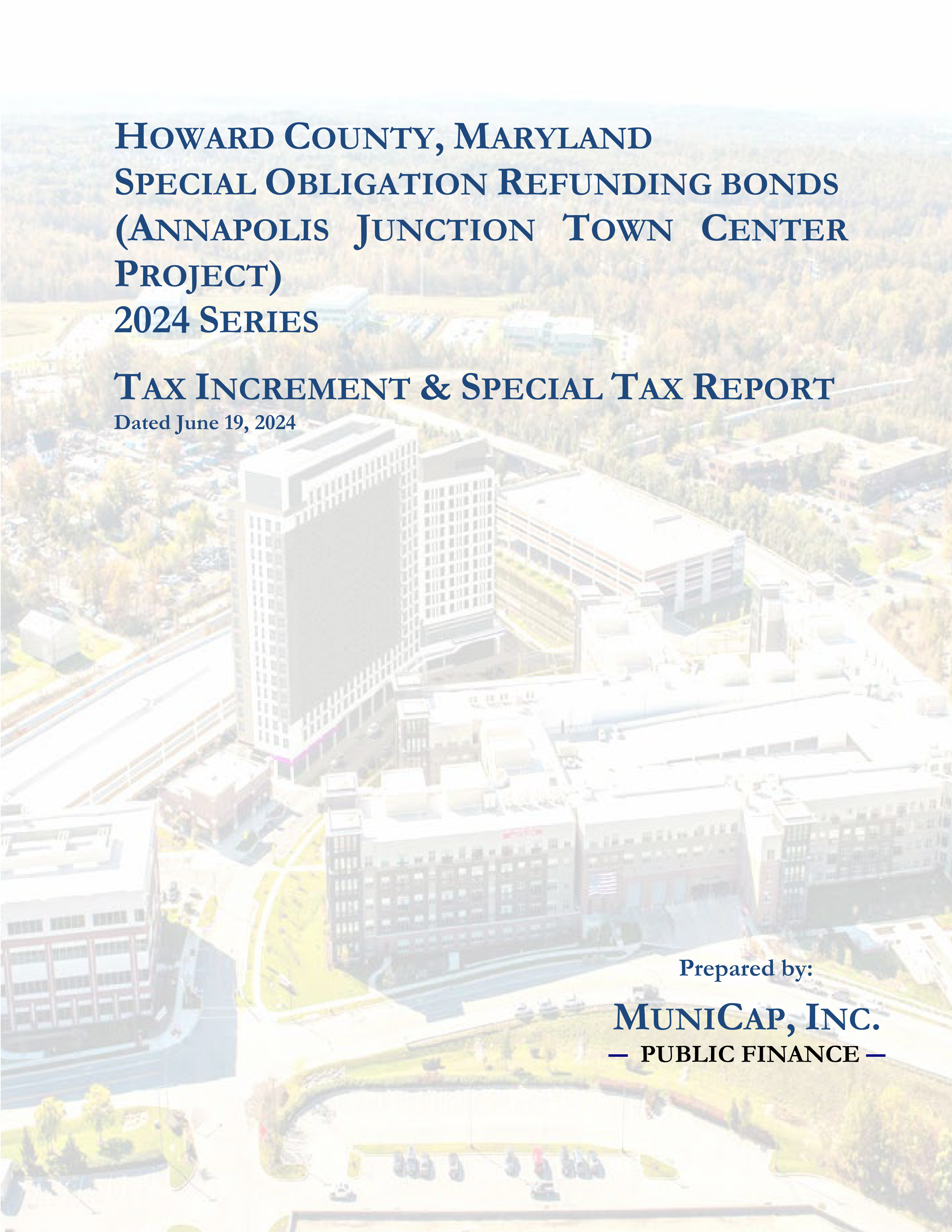
# APPENDIX A

## Tax Increment and Special Tax Report

# HOWARD COUNTY, MARYLAND
# SPECIAL OBLIGATION REFUNDING BONDS (ANNAPOLIS JUNCTION TOWN CENTER PROJECT)
# 2024 SERIES

## TAX INCREMENT & SPECIAL TAX REPORT

**Dated June 19, 2024**



**Prepared by:**

**MUNICAP, INC.**

**— PUBLIC FINANCE —**

## HOWARD COUNTY, MARYLAND
## SPECIAL OBLIGATION REFUNDING BONDS
## (ANNAPOLIS JUNCTION TOWN CENTER PROJECT)
## 2024 SERIES

## TAX INCREMENT & SPECIAL TAX REPORT

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# I. Executive Summary

## Purpose of Report[1]

The purpose of this report is to provide estimates of real property tax increment and special tax revenues resulting from the existing and proposed future development of Annapolis Junction Town Center development (the "Development") and available to repay bonds to be issued by Howard County, Maryland (the "County"). In particular, this report provides estimates of future real property tax increment revenues generated by the property within the Annapolis Junction Town Center Development District (the "Development District"). This report also provides estimates of special taxes on property within the Annapolis Junction Town Center Special Taxing District (the "Special Taxing District" and, together with the geographically coterminous Development District, the "District"). These revenues will be used to secure the County's $15,640,000 Special Obligation Refunding Bonds (Annapolis Junction Town Center Project) 2024 Series (the "2024 Bonds").

This document is intended to be included in the offering document (the "Official Statement") for the 2024 Bonds.

## The 2024 Bonds

The County is issuing the 2024 Bonds pursuant to the provisions outlined in the Official Statement.[2]

On March 11, 2014, the County issued its $17,000,000 Special Obligation Bonds (Annapolis Junction Town Center Project) 2014 Series (the "2014 Bonds"). As of March 1, 2024, the outstanding par amount of the 2014 Bonds was $16,145,000.

### Uses

The proceeds of 2024 Bonds will be used for the following:

- To refund the outstanding 2014 Bonds in full
- To pay certain closing costs relating to the issuance of the 2024 Bonds
- To pay accrued interest due to 2014 Bondholders

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[1] Capitalized terms not defined herein have the meaning as defined in the Official Statement.

[2] These provisions include the following: (i) Sections 12-201 through 12-213, inclusive, of the Economic Development Article of the Annotated Code of Maryland, as amended (the "Tax Increment Financing Act"); (ii) Sections 21-501 through 21-523, inclusive, of the Local Government Article of the Annotated Code of Maryland, as amended (the "Special Taxing District Act" and together with the Tax Increment Financing Act, the "Acts"); (iii) Section 19-207 of the Local Government Article of the Annotated Code of Maryland, as amended; (iv) Resolution No. 14-2009 adopted by the County Council of Howard County, Maryland (the "County Council") on May 4, 2009, as amended by Resolution No. 40-2011 adopted on May 2, 2011 and as further amended by Resolution No. 10-2013 adopted on February 4, 2013 (the "Resolution"); (v) Council Bill No. 21¬2009 enacted by the County Council on May 4, 2009, as amended by Council Bill No. 14-2011 enacted on May 2, 2011, and as further amended by Council Bill No. 5-2013 enacted on February 4, 2013 (the "Ordinance"); (vi) Council Bill No. 1-2024 enacted by the County Council on February 5, 2024 (the "Refunding Bond Ordinance" and, collectively with the Resolution and Ordinance, the "Authorizing Legislation"); and (vii) the Indenture of Trust dated as of March 1, 2014 (the "Original Indenture"), as amended and restated by the Amended and Restated Indenture of Trust dated as of June 1, 2024 (the "Indenture") by and between the County and Manufacturers and Traders Trust Company, a New York banking corporation, as trustee (the "Trustee").

## SECURITY

The 2024 Bonds will be secured the following sources:

- The proceeds of tax collections by the County, arising from the taxation of the increase, if any, in the assessed value of real property located in the Development District over an original taxable value, exclusive of amounts payable to the State of Maryland (the "Tax Increment Revenues")
- To the extent the Tax Increment Revenues are insufficient, proceeds of certain special taxes (the "Special Tax") levied on and to be collected from the taxable parcels within Special Taxing District (the "Special Tax Revenues," and, together with the Tax Increment Revenues, the "District Tax Revenues")

The Special Tax will be collected in any given year only if the Tax Increment Revenues and earnings on amounts on deposit in the Series 2024 Debt Service Reserve Fund are insufficient to do the following:

(i) Pay debt service on the 2024 Bonds
(ii) Pay the administrative costs related to the 2024 Bonds and the District
(iii) Maintain any applicable funds under the Indenture

As additional security for the 2024 Bonds, a Series 2024 Debt Service Reserve Fund will be established in an amount equal to the Reserve Requirement.[3, 4]

## THE DEVELOPMENT

The Development is situated on an approximately 18.83-acre site (the "Site") located in southeast Howard County at the Maryland Area Regional Commuter ("MARC") Savage Commuter Rail Station (the "Savage MARC Station"). The Site is bounded by Dorsey Run Road to the west, Henkel Lane to the northeast, and the CSX Rail Property and the Anne Arundel County boundary to the south.

As planned, the mixed-use, transit-oriented Development includes apartment, retail, office, commuter parking, and hotel components. The Site is located at the intersection of Dorsey Run Road and Henkels Lane in Howard County. For purpose of this report, the Development is considered in two distinct segments: those portions that are already complete (the "Existing Development") and those planned portions that are expected to be delivered in three to five years, or 2027 through 2029 (the "Future Development"), as more fully described herein.[5]

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[3] The Indenture defines the Reserve Requirement, with respect to the 2024 Bonds, as an amount equal to the lesser of (i) 10% of the original principal amount of the 2024 Bonds, (ii) 125% of average Annual Debt Service on the 2024 Bonds outstanding as of the date of issuance of the 2024 Bonds, or (iii) the Maximum Annual Debt Service on the 2024 Bonds outstanding as of the date of determination, and, with respect to any Additional Bonds, as of the date of any calculation, an amount determined by a Supplemental Indenture.

[4] In addition to a pledge of Tax Increment Revenues and Special Tax Revenues, the 2014 Bonds were also secured by payments from the State of Maryland received and appropriated by the County ("BRAC Payments") pursuant to the BRAC Community Enhancement Act adopted by the State of Maryland General Assembly. The BRAC Payments revenue stream is no longer available to the County and is not pledged to pay debt service on the 2024 Bonds.

[5] According to Developer, such timeframe is contingent on Developer obtaining favorable financing terms. Projections herein assume Future Development is completed in 2027 under Scenario B.

## EXISTING DEVELOPMENT

Annapolis Junction Town Center, LLC (the "Developer") has developed approximately 15.4 acres of the Site. Existing Development includes the following components:

- ***The Residences at Annapolis Junction (the "Residential Structure")*** is a 416-unit apartment building and integrated 624-space structured parking garage, completed in 2017. According to CoStar Realty Information, Inc. ("CoStar"), a provider of commercial real estate information and analytics, approximately 96.4% of the units in the Residential Structure are occupied.[6] The Developer has sold the Residential Structure for $150,000,000 to an entity indirectly affiliated with, but not controlled by, the Developer.
- ***In-line retail (the "Retail Structure")*** is a 5,420 square foot retail building occupied with restaurants, completed in 2017. According to the Developer, the Retail Structure is 100% leased and occupied.[7] The Developer is the owner of record of the Retail Structure.
- ***Office (the "Office Structure")*** is a 101,200 square foot office building with a separate 575-space structured parking garage (the "Commercial Garage Structure"), completed in 2017. According to the Developer, the Office Structure is 100% leased and occupied.[8] The Office Structure is owned by an unaffiliated entity.[9]
- ***MARC commuter parking garage (the "Commuter Parking Garage")*** is a 704-space parking garage that serves as the main parking facility for the Savage MARC Station. The Commuter Parking Garage is owned by the Maryland Department of Transportation State Railroad Administration and is exempt from ad valorem real property taxes.

The developer has also completed all the infrastructure associated with the proceeds of the 2014 Bonds.

## FUTURE DEVELOPMENT

According to the Developer, Future Development is to occur on approximately 2.5 acres and is expected to be delivered in three to five years, or from 2027 through 2029.[10,11] Those portions of the Future Development considered for purposes of projecting Tax Increment Revenues herein include the following:

- ***Future Apartments*** comprise a 300-unit apartment building that will be connected to Future Retail and Future Hotel uses. A separate parking structure with 376 parking spaces is also anticipated to be delivered. According to the Developer, the Future Apartments will be a high-rise structure offering best-in-market amenities.[12]

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[6] CoStar data. Accessed by MuniCap on May 24, 2024.
[7] *Developer's Quarterly Continuing Disclosure Statement for the quarter ended 03/31/2024* (MuniCap, Inc.).
[8] Ibid.
[9] Based on Maryland Department of Assessments and Taxation ("SDAT") records, the Commercial Garage Structure is not separately parceled. Projections herein assume the taxable assessed value of the Commercial Garage Structure is included in the value of the Office Structure.
[10] Future Development acreage based on information provided by SDAT.
[11] According to Developer, such timeframe is contingent on Developer obtaining favorable financing terms. Projections herein assume Future Development is completed in 2027 under Scenario B.
[12] 85,241 square feet of Future Amenity Space is included in the projected Future Apartments.

- ***Future Retail*** comprises 7,729 square feet of retail/restaurant space located within the Future Apartments/Future Hotel structure.
- ***Future Hotel*** comprises 110-room hotel. According to the Developer, the Future Hotel is intended primarily to serve the business clientele generated by the nearby office and industrial parks, as well as by Fort Meade.

## SCENARIOS

As real property taxes are generated on an ad valorem basis from assessed values, it is first necessary to estimate the future assessed value resulting from the District. This study provides assessed value information based on the following assumptions:

**Scenario A – Base Scenario**

- Existing Development valuation is based on actual assessed values of January 1, 2023 (with such values fully phased in for the tax year beginning July 1, 2025, as subsequently described).
- Property values appreciate at 2% annually.

**Scenario B – Future Development Scenario**

- Existing Development valuation is based on actual assessed values as of January 1, 2023 (with such values fully phased in for the tax year beginning July 1, 2025, as subsequently described).
- Future Development valuation is based on assessed values of comparable properties at stabilization (with such values fully phased in for the tax year beginning July 1, 2031, as subsequently described).
- Property values appreciate at 2% annually.

**Scenario C – Existing Development, No Appreciation**

- Existing Development valuation is based on actual assessed values of January 1, 2023 (with such values fully phased in for the tax year beginning July 1, 2025, as subsequently described).
- Property values, once stabilized, do not increase with appreciation.

## RESULTS

### PROJECTED INCREMENTAL VALUE

Table I-A provides the projected total and incremental assessed value for the Development District for the bond year ending February 15, 2044, representing the year of projected maximum annual debt service.[13]

**TABLE I-A[14]**

**Projected Assessed Values – Annapolis Junction Town Center Development District**

| Scenario | Projected Value[(a)] | Base Value[(b)] | Incremental Value |
|---|---|---|---|
| Scenario A | $201,406,332 | ($1,608,000) | $199,798,332 |
| Scenario B | $338,790,947 | ($1,608,000) | $337,182,947 |
| Scenario C | $141,320,900 | ($1,608,000) | $139,712,900 |

(a)Based on projected assessed value as of January 1, 2043, for tax year beginning July 1, 2043, payable towards debt service in the bond year ending February 15, 2044.
(b)Represents the certified base value as certified by SDAT.

Refer to Appendices A, B, and C, attached hereto, for detailed projections of incremental assessed value on an annual basis.

### PROJECTED TAX INCREMENT REVENUES

The projected assessed values displayed in Table I-A are the basis for estimating the Tax Increment Revenues. The projected Tax Increment Revenues are shown on the following page in Table I-B.[15]

**TABLE I-B**

**Projected Tax Increment Revenues – Annapolis Junction Town Center Development District**

| Scenario | Projected Tax Increment Revenues at Maximum Annual Debt Service[(a)] | Cumulative Through Bond Year 2044 |
|---|---|---|
| Scenario A | $2,015,825 | $33,525,172 |
| Scenario B | $3,401,940 | $52,675,430 |
| Scenario C | $1,409,605 | $28,088,526 |

(a)Based on projected assessed value as of January 1, 2043, for tax year beginning July 1, 2043, payable towards debt service in bond year ending February 15, 2044.

Refer to Appendices A, B, and C, attached hereto, for detailed projections of Tax Increment Revenues on an annual basis.

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[13] Based on projections of debt service provided by Mesirow Financial Inc.
[14] The methodology used to calculate assessed values is explained in subsequent sections of this report.
[15] The methodology used to calculate Tax Increment Revenues is explained in subsequent sections of this report with detailed calculations included in Appendices A, B, and C attached hereto. Annual Tax Increment Revenues are shown at full build-out and are expressed in dollars for the year in which maximum annual debt service is anticipated.

## PROJECTED DEBT SERVICE COVERAGE

The total principal amount of the 2024 Bonds is $15,640,000, resulting in $1,527,250 of scheduled debt service in the bond year ending February 15, 2044 (the year of scheduled maximum annual debt service). Including projected Administrative Expenses, projected net annual debt service in that same year is $1,607,347.[16] Table I-C shows estimated debt service coverage resulting from Tax Increment Revenues generated within the Development District in this year. Coverage tables herein reflect net debt service.[17]

**TABLE I-C**
**Debt Service Coverage on 2024 Bonds from Projected Tax Increment Revenues**
**(Bond Year Ending February 15, 2044)**

| Scenario | Tax Increment Revenues at Maximum Annual Debt Service | Total Bonds Debt Service[(b)] | Total Bonds Coverage |
|---|---|---|---|
| Scenario A | $2,015,825 | $1,607,347 | 125.41% |
| Scenario B | $3,401,940 | $1,607,347 | 211.65% |
| Scenario C | $1,409,605 | $1,607,347 | 87.70% |

[(a)]Based on projected assessed value as of January 1, 2043, for tax year beginning July 1, 2043, payable towards debt service in the bond year ending February 15, 2044.
[(b)]Source: Mesirow Financial Inc. Net annual debt service includes gross scheduled debt service plus projected administrative expenses.

As shown in Table I-C, under Scenarios A and B, Tax Increment Revenues are projected to be sufficient to pay debt service on the 2024 Bonds in the year of maximum annual debt service. Under Scenario C, which does not contemplate Future Development or appreciation for Existing Development, Tax Increment Revenues are not projected to pay debt service in full on the 2024 Bonds. Coverage is more fully described below for each scenario.

**Scenario A** – Tax Increment Revenues are projected to be sufficient to pay scheduled debt service in full on the 2024 Bonds every year through maturity, with projected coverage ranging from 118.70% to 132.08%.

**Scenario B** – Tax Increment Revenues are projected to be sufficient to pay scheduled debt service in full on the 2024 Bonds every year through maturity, with projected coverage ranging from 118.70% to 220.07%.

**Scenario C** – Tax increment Revenues are projected to be sufficient to pay scheduled debt service in full through February 15, 2037, with projected coverage ranging from 102.68% to 132.08%. Tax Increment Revenues are projected to be insufficient to pay scheduled debt service in full for the bond years ending February 14, 2038, through the bond year ending February 15, 2044, which is the scheduled maturity date of the 2024 Bonds. In these years, projected coverage ranges from 87.70% to 99.97%; Special Tax Revenues are projected to be necessary to pay debt service in full.

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[16] Administrative Expenses are as defined in Howard County, Maryland Annapolis Junction Town Center Special Taxing District Rate and Method of Apportionment of Special Taxes (the "Rate and Method").
[17] Based on projections of debt service provided by Mesirow Financial Inc. Net annual debt service includes gross scheduled debt service plus projected administrative expenses.

Table I-D shows the projected cumulative Special Taxes Revenues to be collected through maturity of the 2024 Bonds under each scenario.

**TABLE I-D**
**Total Projected Special Taxes**

| Scenario | 2024 Bonds Projected Special Taxes[a] |
|---|---|
| Scenario A | $0 |
| Scenario B | $0 |
| Scenario C | $669,360 |

[a]See Appendices A-6, B-8, and C-2.

Refer to Appendices A, B, and C, attached hereto, for detailed projections of District Tax Revenues and debt service coverage on an annual basis under Scenarios A, B, and C, respectively.

Charts 1, 2, and 3 on the following pages provide graphical summations of debt service coverage.

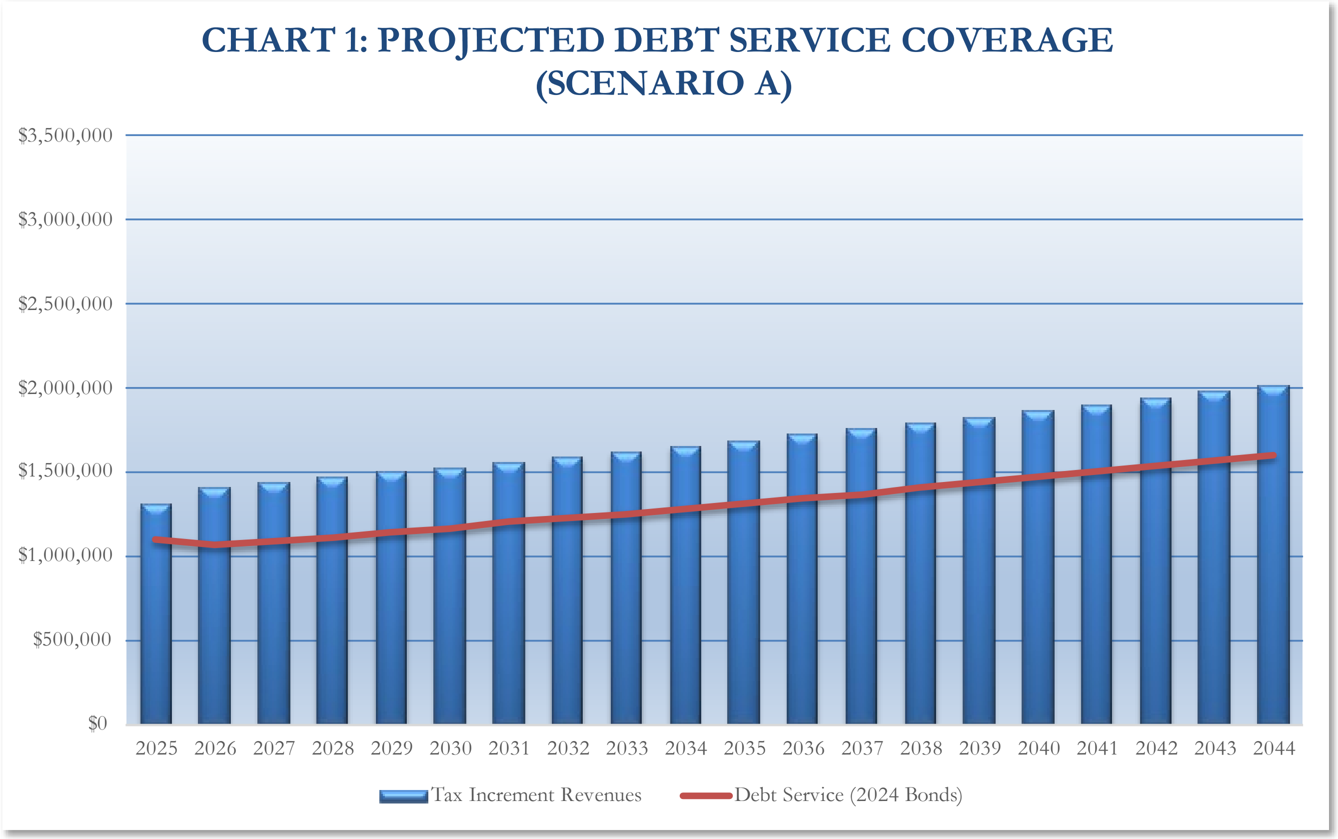


CHART 1: PROJECTED DEBT SERVICE COVERAGE (SCENARIO A)
$3,500,000
$3,000,000
$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$0
2025 2026 2027 2028 2029 2030 2031 2032 2033 2034 2035 2036 2037 2038 2039 2040 2041 2042 2043 2044
Tax Increment Revenues
Debt Service (2024 Bonds)

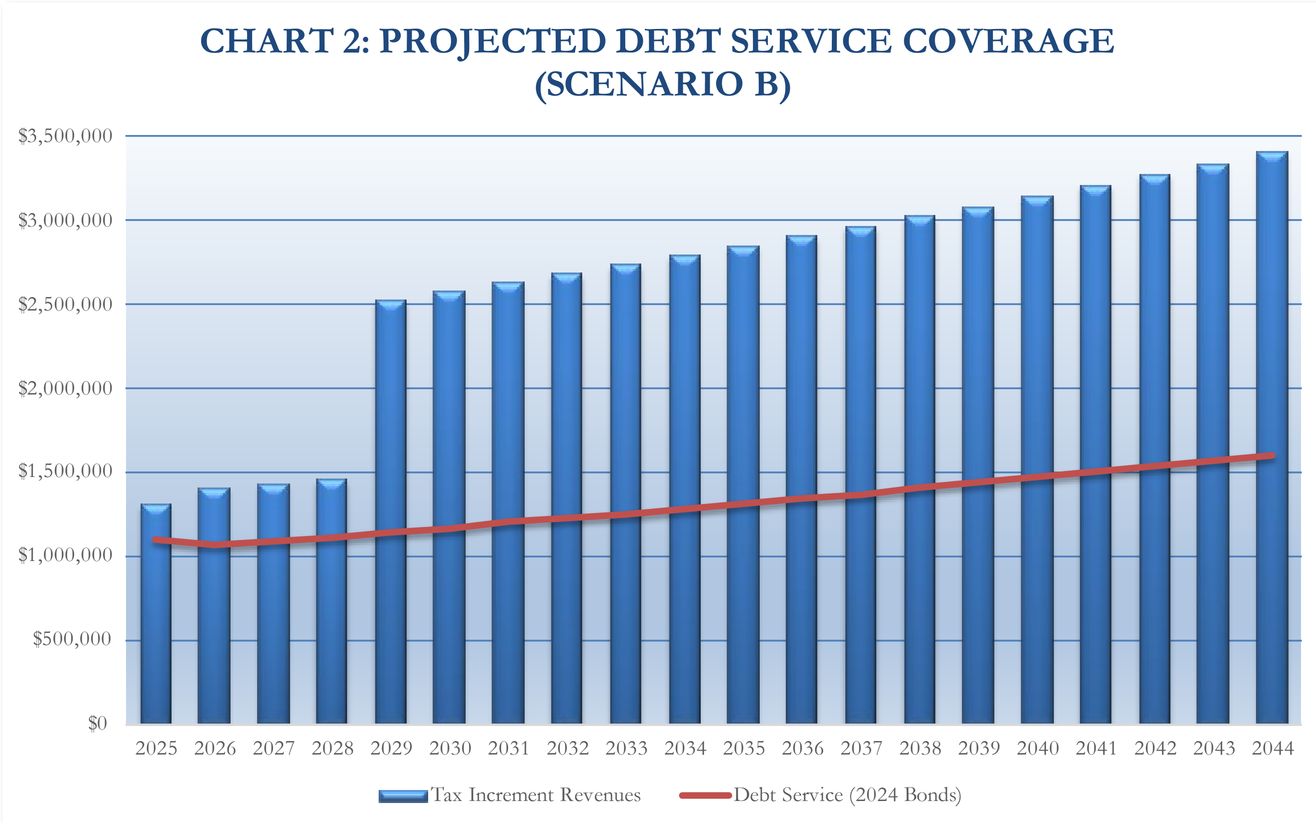


CHART 2: PROJECTED DEBT SERVICE COVERAGE
(SCENARIO B)
$3,500,000
$3,000,000
$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$0
2025 2026 2027 2028 2029 2030 2031 2032 2033 2034 2035 2036 2037 2038 2039 2040 2041 2042 2043 2044
Tax Increment Revenues
Debt Service (2024 Bonds)

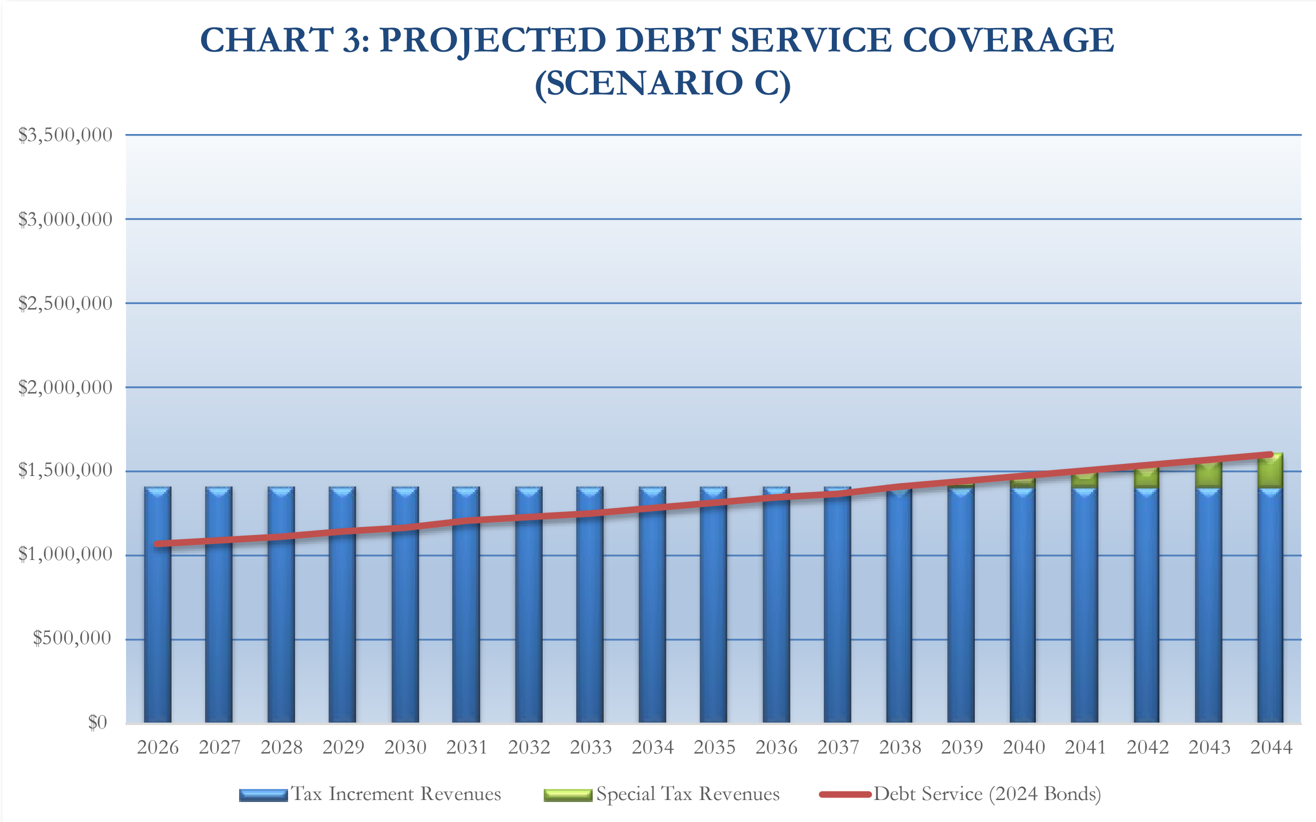


CHART 3: PROJECTED DEBT SERVICE COVERAGE
(SCENARIO C)
$3,500,000
$3,000,000
$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$0
2026 2027 2028 2029 2030 2031 2032 2033 2034 2035 2036 2037 2038 2039 2040 2041 2042 2043 2044
Tax Increment Revenues
Special Tax Revenues
Debt Service (2024 Bonds)

# II. ORGANIZATION OF STUDY

The remaining sections of this report are as follows:

***Section III. Assessment & Tax Collection Procedures:*** a discussion of the assessment and tax collection procedures for the County, along with information regarding historic collections

***Section IV. Historical Appreciation in Tax Revenues:*** an analysis of historic appreciation of property values and changes in applicable tax rates for the County and the Development District

***Section V. Description of the District:*** a history of the District, along with an overview of current conditions in and around the District

***Section VI. Existing and Proposed Development:*** a description of current and planned development within the District

***Section VII. Projection of Market and Assessed Values:*** a forecast of market and assessed values under each scenario, for both the current and future development, as applicable

***Section VIII. Projection of Tax Increment Revenues:*** a forecast of Tax Increment Revenues under each scenario

***Section IX. Projection of Special Tax Revenues:*** a description of Special Tax methodology, along with a forecast of required Special Tax Revenues under each scenario

***Section X. Projected Debt Service Coverage:*** a forecast debt service coverage for the 2024 Bonds under each scenario

***Section XI: Assumptions and Limitations:*** an account of the assumptions, limitations, caveats and qualifications applicable to any forward -looking projections included herein

# III. ASSESSMENT AND TAX COLLECTION PROCEDURES

## ASSESSMENT PROCEDURES

### OVERVIEW

Pursuant to Maryland law, all taxes upon real property must be "laid upon the actual value of the property taxed in a fair and equitable manner." The Supervisor of Assessments for the County, appointed by Maryland Department of Assessments and Taxation ("SDAT"), assesses properties on a triennial basis, with one-third of the properties in the County reassessed every year. The Supervisor of Assessments performs several functions, including the tasks of appraising and listing all real property for taxation that is located in the County, and maintaining an inventory of all real estate within the County (which includes depictions of land ownership boundaries, along with data records showing ownership and legal descriptions).

### SCHEDULE

Property is assessed as of its condition on January 1 of the assessment year. There are three Assessment Areas in the County, with each Assessment Area reassessed on a three-year cycle. Therefore, an individual property is assessed once every three years in the County unless new improvements are made to the property. In such an event, a property may be reassessed for new improvements each quarter. The next reassessment date for each Assessment Area is as follows:[18]

| Assessment Area | Reassessment Year |
|---|---|
| Assessment Area 1 | January 1, 2025 |
| Assessment Area 2 | January 1, 2026 |
| Assessment Area 3 | January 1, 2027 |

Table III-A provides Assessment Area information for the District.

**TABLE III-A**
**Assessment Area for Districts**

| Location | Assessment Area | Last Reassessment | Next Reassessment |
|---|---|---|---|
| Annapolis Junction | Group 2 | January 1, 2023 | January 1, 2026 |

Source: SDAT.

Property owners receive assessment notices in December preceding the January 1 assessment date. Upon receipt of the assessment notice, property tax owners may begin the appeals process. A detailed schedule of the assessment, appeals, and taxation process is included as Table III-D of this section.

[18] Source: SDAT.

## METHODOLOGY

Maryland law requires assessed values to be based on full cash value as established by selling prices in a market area. Since assessments are performed every three years, the Supervisor of Assessments is required to calculate a "phase-in assessment." For any increase in the full cash value of a property not related to new improvements, Maryland law requires that the increase in value over the old value be "phased-in" over the next three years. For example, a property formerly appraised at $100,000 is reappraised at $130,000. In this instance, the new appraisal is $30,000 higher than the old appraisal. The $30,000 is "phased-in" equally over the next three years with the following phase-in assessments: 1st year, $110,000; 2nd year, $120,000; 3rd year, $130,000.

The Supervisor of Assessments uses different valuation methods depending on property type:

**Cost Approach –** The cost approach values property based on the costs of development. The value of a structure is determined by estimating the cost to replace the building with a new structure and then subtracting depreciation. This method assumes the cost of replacing the existing building plus the value of the land equals market value. The steps in applying the cost approach include the following:

- Estimate the site value (land and site improvements) through a review of comparable sales.
- Estimate the cost of replacing the existing building with one of similar usefulness (reflecting current building design and materials).
- Deduct all sources of depreciation, including physical deterioration ("wear and tear" on a building) and functional and economic obsolescence. Functional obsolescence is the reduced ability of the building to perform the function it was originally designed and built for. Economic obsolescence refers to external forces that affect the ability of the building to continue to perform, including changes in transportation corridors, new types of building design demanded by the market, etc.

The cost approach is relied upon most often when the property being appraised is new or nearly new and income is not yet stabilized, where there are no comparable sales, or where the improvements are relatively unique or specialized.

**Sales Comparison Approach** – The sales comparison approach is based on the premise that the value of a specific property is set by the price an informed purchaser would pay for a comparable property, offering similar desirability and usefulness. For instance, if recent sales of some condominium units within the same building indicate an increase in market values, all values for condominiums in the building will be reassessed to reflect this increase in market value. This requires an understanding of market variables, including location, property size, physical features and relevant economic factors. The process of identifying and analyzing comparable property sales is repeated until a satisfactory range of value indicators for the subject property is established and a final estimate of value is possible. The limitations of the sales comparison approach are that it requires recent and accurate sales data for similar properties. The sales comparison approach is relied upon most often for appraising for-sale residential property.

**Income Capitalization Approach –** The income capitalization approach to value is based on the premise that the value of a property is directly related to the income it will generate. The Supervisor of Assessments analyzes both the property's ability to produce future income and its expenses, and then estimates the property's value. The Supervisor of Assessments develops a capitalization rate by analyzing the sales of similar income properties and determining the relationship between the selling price and net income.

The steps in applying the income capitalization approach are to determine the stabilized, net operating income as follows:

- Estimate potential gross income from all sources
- Deduct an allowance for vacancy and bad debts
- Deduct direct and indirect operating expenses.

To estimate the potential gross income, the Supervisor of Assessments determines market rents by analyzing actual rental rates, both within the subject property (if it has stabilized operating revenue) and in comparable properties in the market area.

The Supervisor of Assessments then divides the resultant net operating income by a market capitalization rate, reflecting the property type and effective date of valuation, to produce an estimate of overall property value.

To establish the appropriate capitalization rate, the Supervisor of Assessments analyzes sales data, comparing net operating income to selling price, in the same market to determine rates of return. The capitalization rate will vary depending on the attractiveness of the property as an investment, income risks, and physical characteristics.

The Supervisor of Assessments relies upon the income approach most often when appraising properties that produce a rental income from single or multiple tenants. The capitalized value of the income stream provides an estimate of the market value of the property (land and improvements).

### APPEALS

Property owners in the State of Maryland have the right to appeal property assessments on the basis of taxability, uniformity, or values. In the County, this appeal must be submitted within 45 days of notification that the property value has changed. Upon appeal, the Assessor reviews the claim and renders a decision. If the property owner still objects to the findings, the owner has 30 days to file an appeal with Property Tax Assessment Appeal Board, an independent board consisting of three local residents in the County.

Upon receiving the appeal, the Property Tax Assessment Appeal Board will schedule a hearing. If the property owner is not satisfied with the decision made by Property Tax Assessment Appeal Board, an appeal may be filed with the Maryland Tax Court within 30 days of the date of board's decision. Any discontent with the decision rendered by the Maryland Tax Court may be appealed to the Maryland Circuit Court. A detailed schedule of the assessment, appellate, and taxation process is included in Table III-E.

## TAXATION PROCEDURES

### OVERVIEW

The Director of Finance of Howard County takes the assessed value provided by SDAT, applies any applicable exemptions, and calculates taxes for each property. The Director of Finance then mails bills to corresponding property owners.

### CREDITS AND EXEMPTIONS

There are several State and County programs that result in real property tax credits and exemptions. Based on reviews of the proposed development, the likely potential ownership of property within the District, and discussions with SDAT, no credits or exemptions were assumed to be applicable in this study for purposes of projecting tax increment.

### DISCOUNTS, PENALTIES, AND INTEREST

All taxes remaining unpaid after the County due dates are delinquent and are subject to interest and penalties. County taxes are collected annually without interest or penalty by September 30 and December 31. Property owners receive a 0.5% discount on the portion of property tax payments received during July. Property taxes become delinquent on October 1 following the first semiannual payment and January 1 following the second semiannual payment. Delinquent taxes are subject to interest and penalty at the rate of 1.5% per month on all County taxes and fees and 1.0% on State taxes. For purposes of this study, it is assumed that all property owners in the District remit payment in time to receive the full 0.5% discount.

### TAX RATES

Tax rates are set on an annual basis by the County. The tax rate for the 2023-2024 tax year in the County is as follows:

*County tax rate* = $1.014 per $100 assessed value

From tax years 1999-2000 through 2023-2024, tax rates have declined 2.87%, which is a compounded average annual decline of 0.13%. However, the tax rate has not changed since the 2005-2006 tax year. Table III-B on the following page provides historical tax rates in the County over this time frame.

## TABLE III-B
### Howard County Historical Tax Rates

| Fiscal Year | Tax Rate Per $100 Assessed Value[a] |
|---|---|
| 2000 | $1.044 |
| 2001 | $1.044 |
| 2002 | $1.044 |
| 2003 | $1.044 |
| 2004 | $1.044 |
| 2005 | $1.044 |
| 2006 | $1.014 |
| 2007 | $1.014 |
| 2008 | $1.014 |
| 2009 | $1.014 |
| 2010 | $1.014 |
| 2011 | $1.014 |
| 2012 | $1.014 |
| 2013 | $1.014 |
| 2014 | $1.014 |
| 2015 | $1.014 |
| 2016 | $1.014 |
| 2017 | $1.014 |
| 2018 | $1.014 |
| 2019 | $1.014 |
| 2020 | $1.014 |
| 2021 | $1.014 |
| 2022 | $1.014 |
| 2023 | $1.014 |
| 2024 | $1.014 |
| **Overall Decrease** | **-2.87%** |
| **Average Annual Decrease** | **-0.13%** |

[a]Source for fiscal year 2023 and prior: *Howard County Annual Comprehensive Financial Report* (Howard County Department of Finance and Maryland State Archives).
Source for fiscal year 2024: Howard County Department of Finance.

County tax rates have remained consistent in recent years, although the County has approved an increase in the tax rate to $1.044 per $100 assessed value to take effect in Fiscal Year 2025. It is likely that the tax rate will continue to change in the future; for projecting estimated futures tax revenues in this report, however, a static rate of $1.014 per $100 assessed value was assumed for all scenarios. Chart 4 on the following page shows the change in tax rate over time.

## CHART 4: HISTORICAL REAL PROPERTY TAX RATES (PER $100 OF ASSESSED VALUE)

## Collection Rates

Table III-C shows timely and delinquent collection of County property tax levies for 2000-2023.

**TABLE III-C**
**Howard County – Historical Levies and Collections (in $000's)**

| Fiscal Year | Total Tax Levy | Collected Within Fiscal Year | % Collected Within Fiscal Year | Total Tax Collections[a] | % of Tax Levy Collected (Total Collections) |
|---|---|---|---|---|---|
| 2000 | $236,531,533 | $235,348,987 | 99.5% | $236,382,270 | 99.9% |
| 2001 | $250,619,586 | $249,341,918 | 99.5% | $250,545,763 | 100.0% |
| 2002 | $272,888,397 | $270,842,836 | 99.3% | $272,724,856 | 99.9% |
| 2003 | $286,459,075 | $284,784,071 | 99.4% | $286,230,449 | 99.9% |
| 2004 | $306,220,976 | $305,055,699 | 99.6% | $306,221,208 | 100.0% |
| 2005 | $338,595,522 | $336,809,362 | 99.5% | $338,588,740 | 100.0% |
| 2006 | $384,872,472 | $382,410,597 | 99.4% | $384,845,002 | 100.0% |
| 2007 | $435,502,514 | $433,853,289 | 99.6% | $435,424,873 | 100.0% |
| 2008 | $507,119,578 | $505,564,702 | 99.7% | $506,942,210 | 100.0% |
| 2009 | $569,987,425 | $568,246,317 | 99.7% | $569,576,398 | 99.9% |
| 2010 | $601,068,331 | $599,327,223 | 99.7% | $600,600,516 | 99.9% |
| 2011 | $577,633,399 | $574,829,923 | 99.5% | $577,455,999 | 100.0% |
| 2012 | $541,972,687 | $540,659,569 | 99.8% | $541,728,978 | 100.0% |
| 2013 | $551,716,941 | $547,732,006 | 99.3% | $551,508,369 | 100.0% |
| 2014 | $555,254,638 | $550,755,917 | 99.2% | $554,984,266 | 100.0% |
| 2015 | $569,892,160 | $568,111,915 | 99.7% | $569,523,304 | 99.9% |
| 2016 | $594,757,776 | $593,510,182 | 99.8% | $594,322,866 | 99.9% |
| 2017 | $616,633,669 | $612,695,057 | 99.4% | $615,847,398 | 99.9% |
| 2018 | $639,933,124 | $635,257,806 | 99.3% | $636,541,535 | 99.5% |
| 2019 | $663,038,666 | $656,951,368 | 99.1% | $658,370,279 | 99.3% |
| 2020 | $677,030,343 | $671,983,399 | 99.3% | $674,007,791 | 99.6% |
| 2021 | $697,366,167 | $690,343,014 | 99.0% | $696,130,442 | 99.8% |
| 2022 | $767,640,195 | $762,776,281 | 99.4% | $762,776,281 | 99.4% |
| 2023 | $774,872,843 | $768,980,607 | 99.2% | $768,980,607 | 99.2% |
| **Average** | | | **99.4%** | | **99.8%** |

Source: *Howard County Annual Comprehensive Financial Report for Fiscal Years 2023-2009 and prior (Howard County Department of Finance and Maryland State Archives).*

[a]Includes delinquent collections from prior years.

For the purposes of this study, a 100% collection rate is assumed in future years. This rate is derived from the historical collections within the District as seen on Table III-D on the following page.

**TABLE III-D**

**Annapolis Junction Town Center – Historical District Collections[(a)]**

| Fiscal Year[(b)] | Taxable Assessed Value | Tax Increment Revenues Billed | Tax Increment Revenues Collected | Special Tax Billed | Special Taxes Collected | Collection % |
|---|---|---|---|---|---|---|
| 2015 | $7,830,600 | $63,097 | $63,097 | $0 | $0 | 100% |
| 2016 | $7,884,200 | $126,738 | $126,738 | $0 | $0 | 100% |
| 2017 | $6,985,300 | $187,284 | $187,284 | $525,000 | $525,000 | 100% |
| 2018 | $67,575,603 | $57,019 | $57,019 | $1,002,000 | $1,002,000 | 100% |
| 2019 | $88,136,867 | $877,403 | $877,403 | $0 | $0 | 100% |
| 2020 | $93,357,400 | $927,487 | $927,487 | $0 | $0 | 100% |
| 2021 | $99,660,666 | $994,254 | $994,254 | $31,492 | $31,492 | 100% |
| 2022 | $105,692,134 | $1,055,413 | $1,055,413 | $110,044 | $110,044 | 100% |
| 2023 | $111,723,600 | $1,116,572 | $1,116,572 | $72,750 | $72,750 | 100% |
| 2024 | $127,192,100 | $1,273,423 | $1,273,423 | $0 | $0 | 100% |

[(a)]Source: information provided by Administrator in *Annual Development Activity and Disclosure Report* from 2015 through 2023.

[(b)]The tax year beginning on July 1 corresponds with fiscal year ending June 30 of the following year.

## TIMELINE

After the tax roll is submitted by SDAT at the beginning of January, the Director of Finance calculates taxes owed and sends bills beginning in July. The property owner has the right to appeal the assessed value, which must be submitted within 45 days of receiving an assessment notice. County property taxes are due by September 30 and December 31 for owner-occupied residential property and commercial property with real property taxes of less than $100,000, and by September 30 for all other properties. Table III-E outlines the assessment, appeals and taxation timeline.

**TABLE III-E**
**Assessment, Appellate, and Taxation Timeline**

| Process | Date |
|---|---|
| Assessment notification mailed to property owners | Late December |
| Valuation date (Date of Finality) for real property[a] | January 1 |
| Deadline for out-of-cycle appeals | 1st business day following January 1 |
| Deadline for appealing reassessment notices mailed the prior December | Mid- February |
| Homeowners' tax credit applications received by this date will have credits reflected on property tax bills, if eligible | April 15 |
| Director of Finance calculates and mails tax bills | July 1 |
| Deadline to pay first installment of County taxes (owner-occupied and owners of commercial property whose property taxes do not exceed $100,000) | September 30 |
| Deadline to pay real property taxes without penalty (owners of commercial property whose property taxes exceed $100,000) | September 30 |
| Deadline to submit Homeowners' and Renters' tax credit applications and real property exemptions | October 1 |
| Deadline to pay final installment of County taxes (owner-occupied and owners of commercial property whose property taxes do not exceed $100,000) | December 31 |
| Final legal notice mailed to property owners who have not yet paid taxes | March 1 |
| Publication of delinquent properties in Howard County Times/Columbia Flier | Early March |
| Deadline to pay taxes prior to tax sale | April 30 |
| Tax Sale | May 1 |

Source: Howard County Department of Finance, SDAT.
[a]Valuation date (Date of Finality) for real property reflects property for which assessment notices were mailed in late December.

# IV. Historical Appreciation in Assessed Values

## Results

Property values typically appreciate over time. SDAT publishes an annual report for the most recently revalued reassessment area, which provides the average increase in assessments for each county since the previous triennial reassessment. Analysis of triennial changes to assessed value reveals material appreciation for all real property for the period selected (2000 through 2024).[19] The average annual appreciation for this time period was 4.2%. This percentage is calculated prior to taking into account the Homestead Credit, which restricts increases in owner-occupied housing assessed values to 5% annually.[20] Table IV-A on the following page shows the average annual appreciation of assessed values in the County from 2000 to 2024. The percentage in any given year indicates the appreciation over the prior year and is not cumulative.

[19] MuniCap estimated annual appreciation based on the triennial growth reported by SDAT.

[20] As residential properties are sold, assessed values are reset to reflect current market values, rather than the value as restricted by the Homestead Credit. Consequently, if actual growth in market values exceeds 5%, annual growth in assessed values used for tax purposes can be expected to be somewhere between 5% and actual growth in assessed value.

**TABLE IV-A**
**Historical Appreciation in Values (Howard County)**

| Year | Increase Since Triennial Reassessment[a] | Annual Appreciation[b] |
|---|---|---|
| 2000 | 6.6% | 2.2% |
| 2001 | 10.4% | 3.4% |
| **2002** | **20.1%** | **6.3%** |
| 2003 | 29.0% | 8.9% |
| 2004 | 39.3% | 11.7% |
| **2005** | **48.5%** | **14.1%** |
| 2006 | 58.7% | 16.6% |
| 2007 | 50.3% | 14.5% |
| **2008** | **24.2%** | **7.5%** |
| 2009 | -2.3% | -0.8% |
| 2010 | -19.8% | -7.1% |
| **2011** | **-18.8%** | **-6.7%** |
| 2012 | -8.7% | -3.0% |
| 2013 | 2.5% | 0.8% |
| **2014** | **8.1%** | **2.6%** |
| 2015 | 10.5% | 3.4% |
| 2016 | 9.0% | 2.9% |
| **2017** | **6.1%** | **2.0%** |
| 2018 | 5.9% | 1.9% |
| 2019 | 8.5% | 2.8% |
| **2020** | **8.3%** | **2.7%** |
| 2021 | 9.3% | 3.0% |
| 2022 | 10.8% | 3.5% |
| **2023** | **20.4%** | **6.4%** |
| 2024 | 20.5% | 6.4% |
| Average Annual Appreciation | | 4.2% |
| **Compound Growth Rate** | | **4.1%** |

[a]Source: SDAT Reassessment Reports. Assessment years in which District parcels were reassessed are in bold.
[b]Represents compounded growth rate for three years, based on triennial reassessment.

Based on the annual appreciation rates shown in Table IV-A, the compound annual growth rate from 2000 to 2024 is 4.2%. Using the annual appreciation rates shown in Table IV-A and the tax rates for this same period shown in Table III-B, the compound growth rate of taxes levied on a given parcel has been equal to 4.1%. This information is shown graphically in Chart 4 at the end of this section.

A future annual appreciation rate of 2% for all property is used in Scenarios A and B of this study to project future appreciated assessed values. Based on the historic trends outlined in this section, this rate is believed to be conservative, although it should be noted that values have depreciated in some years, including from 2009 through 2012.[21]

[21] These declines coincided with the real estate crisis of 2008 and the ensuing recession. While the period of decline is not believed to be indicative of a long-term trend, values in future years will not appreciate at a uniform rate and values may depreciate in some years.

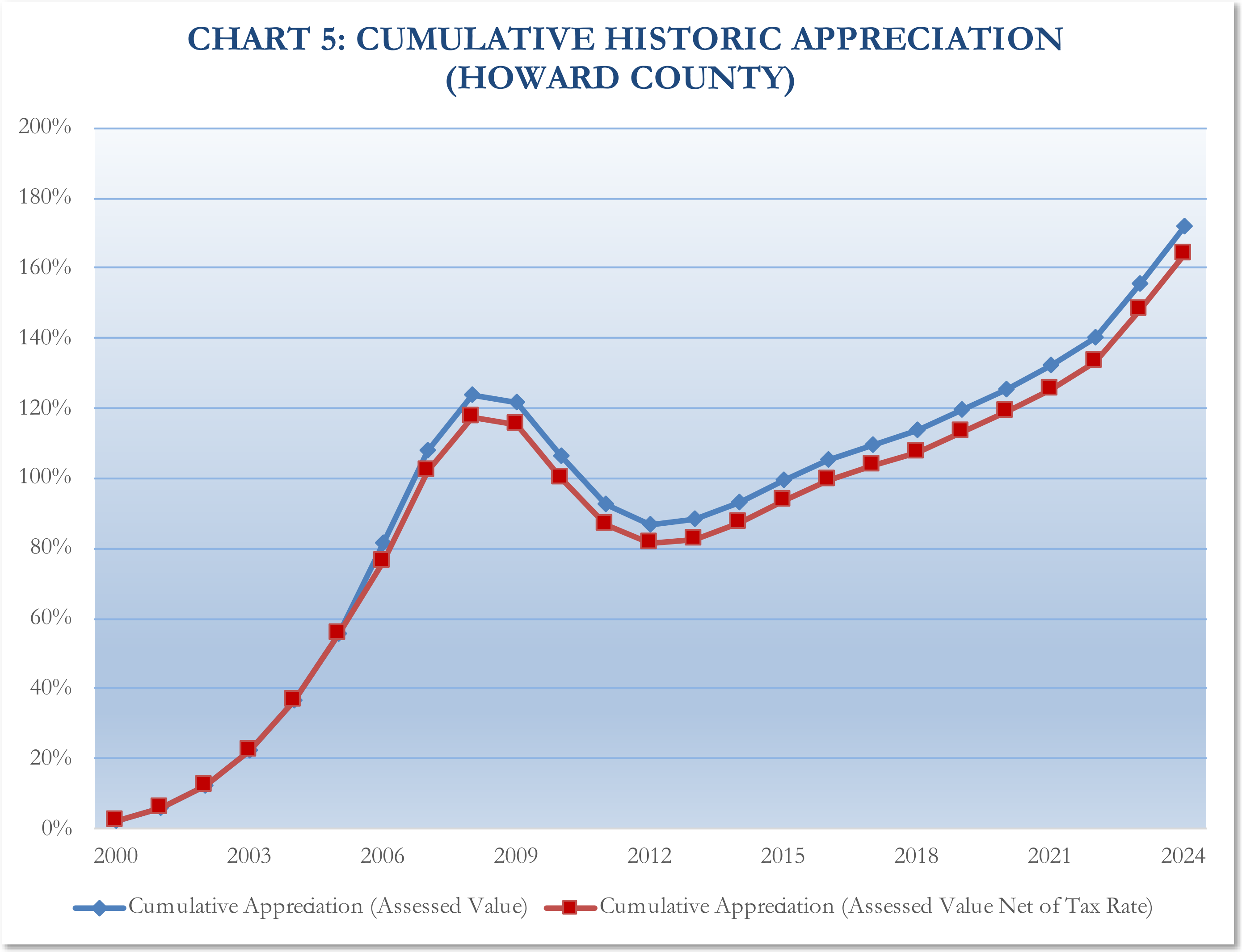


CHART 5: CUMULATIVE HISTORIC APPRECIATION
(HOWARD COUNTY)
200%
180%
160%
140%
120%
100%
80%
60%
40%
20%
0%
2000
2003
2006
2009
2012
2015
2018
2021
2024
Cumulative Appreciation (Assessed Value)
Cumulative Appreciation (Assessed Value Net of Tax Rate)

# V. Description of District

## Enabling Acts

Sections 12-201 through 12-213, inclusive, of the Economic Development Article of the Annotated Code of Maryland, as amended (the "Tax Increment Financing Act") provides for the creation of development districts by the County for the purpose of financing certain improvements. Upon approval of a development district, establishment of a special fund by the County, and the passing of an authorizing ordinance, the County may issue special obligation bonds to finance or refinance the costs of infrastructure improvements related to the development district, to fund reserves, and to pay other related costs. The payment of principal of, premium (if any) and interest on such bonds will be secured by a pledge of tax increment revenue—the property tax revenues generated from the County's levy and derived from increases in the taxable assessed value of real property located in the development district.

Sections 21-501 through 21-523, inclusive, of the Local Government Article of the Annotated Code of Maryland, as amended (the "Special Taxing District Act" and together with the Tax Increment Financing Act, the "Acts") provides a method of financing certain improvements through the creation of special taxing districts. The Special Taxing District Act provides for the creation of a special taxing district by the County and certain other entities upon petition by two-thirds of the owners of the real property located within the special taxing district. Upon approval of the creation of the special taxing district, the County may issue special obligation bonds to finance or refinance the costs of infrastructure improvements located within the special taxing district (or outside the special taxing district if such infrastructure improvements are reasonably related to the other infrastructure improvements within the special taxing district), to fund reserves and to pay other related costs, and may levy and collect special taxes within such district to pay the debt service on, and administrative expenses in connection with, such bonds. The special taxes levied are collected and secured in the same manner as general ad valorem taxes of the County and are subject to the same penalties and the same procedure, sale, and lien priority in case of delinquency as is provided for general ad valorem taxes of the County.

## Creation of District

On March 26, 2009, the State of Maryland and Petrie Ross Ventures D.C., LLC ("PRV") submitted to Howard County a "Request for the Creation of a Special Taxing District, the Levy of Special Taxes on the Property in the Special Taxing District and the Issuance of Special Obligation Bonds" (the "Original Request").

On May 4, 2009, the County Council of Howard County (the "County Council") adopted Council Resolution No. 14-2009, subsequently amended by Resolution 40-2011, adopted on May 2, 2011) establishing a special taxing district known as the "Savage Towne Centre Special Taxing District" and a development district known as the "Savage Towne Centre Development District." Also included with the legislative package and adopted by the County Council was Council Bill No. 21-2009 that provided for the collection of the special tax on the property in the Special Taxing District (subsequently amended by Council Bill No. 14-2011, enacted on May 2, 2011), and Council Bill No. 20-2009 that approved a multi-year agreement between the County and PRV for the construction of a parking garage and related infrastructure in the District.

On January 7, 2013, the Developer submitted to the County an Amended and Restated Request for the Creation of a Special Taxing District, the Levy of Special Taxes on the Property in the Special Taxing District, and the Issuance of Special Obligation Bonds to the County (the "Amended Request"). The Amended Request proposed updates to the Original Request including an expansion of the District to include the adjacent Boise Parcel, as further described below, and to change the name of the District to the "Annapolis Junction Town Center Special Taxing District" and the Annapolis Junction Town Center Development District" (collectively, the "District"), among other changes.

On February 8, 2013, the County Council adopted Resolution No. 10-2013 (the "Resolution") together with Council Bill No. 4-2013 and Council Bill No. 5-2013 (the "Ordinance") that provided for the creation of the District pursuant to the Amended Request, provided for the collection of the special tax on the property in the Special Taxing District, and approved the multi-year agreement between the County and the Developer.

On February 5, 2024, the County Council adopted Council Bill No. 1-2024 (the "Refunding Ordinance," and, collectively with the Resolution and Ordinance, the "Authorizing Legislation").

Pursuant to the Authorizing Legislation, the County created the Development District and the Annapolis Junction Town Center Tax Increment Fund (the "Tax Increment Fund"), and the Special Taxing District and the Annapolis Junction Town Center Special Taxes Fund (the "Special Taxes Fund"). The Authorizing Legislation also approved the Howard County, Maryland Annapolis Junction Town Center Special Taxing District Rate and Method of Apportionment of Special Taxes (the "Rate and Method").

## 2014 Bonds

The District was created to finance all or a portion of the costs of certain public improvements for the benefit of the property in the District. As approved by the Authorizing Legislation, the County issued the 2014 Bonds, which, as of March 1, 2024, remain outstanding in the aggregate principal amount of $16,145,000.

## 2024 Bonds

The Bond Refunding Ordinance which authorized the issuance of the 2024 Bonds in an aggregate principal amount not to exceed $17,200,000.

### Uses

The proceeds of 2024 Bonds will be used for the following:

- To refund the outstanding 2014 Bonds in full
- To pay certain closing costs relating to the issuance of the 2024 Bonds
- To pay accrued interest due to 2014 Bondholders

## SECURITY

The 2024 Bonds will be secured the following sources:

- The proceeds of tax collections by the County, arising from the taxation of the increase, if any, in the assessed value of real property located in the Development District over an original taxable value, exclusive of amounts payable to the State of Maryland (the "Tax Increment Revenues")
- To the extent the Tax Increment Revenues are insufficient, proceeds of certain special taxes (the "Special Tax") levied on and to be collected from the taxable parcels within Special Taxing District (the "Special Tax Revenues," and, together with the Tax Increment Revenues, the "District Tax Revenues")

The Special Tax will be collected in any given year only if the Tax Increment Revenues and earnings on amounts on deposit in the Series 2024 Debt Service Reserve Fund are insufficient to do the following:

(iv) Pay debt service on the 2024 Bonds
(v) Pay the administrative costs related to the 2024 Bonds and the District
(vi) Maintain any applicable funds under the Indenture

As additional security for the 2024 Bonds, a Series 2024 Debt Service Reserve Fund will be established in an amount equal to the Reserve Requirement.[22, 23]

## DEVELOPMENT PROGRAM

As described more fully in Section VI of this report, the Development is projected to include the following:

- More than 700 residential multifamily apartment units, **416 of which have been delivered**
- Nearly 13,000 square feet of retail space, **5,420 square feet of which has been delivered**
- More than 100,000 square feet of office space, **all of which has been delivered**
- More than 100 future hotel rooms
- Nearly 2,300 structured parking spaces, **1,903 of which have been delivered**

[22] The Indenture defines the Reserve Requirement, with respect to the 2024 Bonds, as an amount equal to the lesser of (i) 10% of the original principal amount of the 2024 Bonds, (ii) 125% of average Annual Debt Service on the 2024 Bonds outstanding as of the date of issuance of the 2024 Bonds, or (iii) the Maximum Annual Debt Service on the 2024 Bonds outstanding as of the date of determination, and, with respect to any Additional Bonds, as of the date of any calculation, an amount determined by a Supplemental Indenture.

[23] In addition to a pledge of Tax Increment Revenues and Special Tax Revenues, the 2014 Bonds were also secured by payments from the State of Maryland received and appropriated by the County ("BRAC Payments") pursuant to the BRAC Community Enhancement Act adopted by the State of Maryland General Assembly. The BRAC Payments revenue stream is no longer available to the County and is not pledged to pay debt service on the 2024 Bonds.

## LOCATION

Generally bound by Henkels Lane to the north, Dorsey Run Road to the West, and Brock Bridge Road and the CSX rail line to the south, the District is proximate to several prominent locations:

- Less than two miles from Fort Meade, which has more than 64,000 employees and headquarters of the National Security Agency, the United States Cyber Command, the Defense Courier Service, Defense Information Systems Agency, the U.S. Navy's Cryptologic Warfare Group Six, the Defense Information School, the Defense Media Activity, and the United States Army Field Band
- Approximately twelve miles southwest of Baltimore/Washington International Thurgood Marshall Airport
- Approximately twenty miles southwest of downtown Baltimore
- Approximately twenty-five miles northeast of Washington D.C.

The adjoining Savage MARC Station provides rail access between Washington, D.C., and Baltimore. The "Camden" MARC line serving this station runs between Union Station in Washington, D.C. (where it connects to the D.C. Metrorail subway network) and the Inner Harbor/Camden Yard area of downtown Baltimore.

A map of the Development District is included as Exhibit A at the end of this section.

## DEMOGRAPHIC INFORMATION

### GENERAL

Situated between the urban centers of Baltimore and Washington, D.C., the County comprises approximately 251 square miles. Of the twenty-four counties and independent cities in Maryland, the County ranks sixth in terms of population and twenty-third in terms of geographical area.

### POPULATION TRENDS

The County population nearly tripled from 1980 to 2020. From 2010 to 2020, the County's population continued to increase much more rapidly than the State's overall population.

**TABLE V-A**
**Population Growth – County and State (1980-2020)**

| | Howard County | | | Maryland | | |
|---|---|---|---|---|---|---|
| Year | Population | Increase | % Increase | Population | Increase | % Increase |
| **1980** | 118,572 | - | - | 4,216,975 | - | - |
| **1990** | 187,328 | 68,756 | 57.99% | 4,781,468 | 564,493 | 13.39% |
| **2000** | 247,842 | 60,514 | 32.30% | 5,296,486 | 515,018 | 10.77% |
| **2010** | 287,085 | 39,243 | 15.83% | 5,773,552 | 477,066 | 9.01% |
| **2020** | 332,317 | 45,232 | 15.76% | 6,177,224 | 403,672 | 6.99% |

Source: U.S. Census Bureau.

### AGE

Based on U.S. Census Bureau data, the County's median age is slightly higher than that of the nation.

**TABLE V-B**
**Median Age Comparison**

| Area | Median Age |
|---|---|
| **Howard County** | **39.2** |
| State of Maryland | 39.1 |
| U.S. | 38.5 |

*2022 American Community Survey 5-Year Estimates.* U.S. Census Bureau.

### EDUCATION

Residents of the County have high levels of education attainment relative to the State and national populations. Moreover, the percentage of County residents with a bachelor's degree or higher has increased in recent years.

**TABLE V-C**
**Educational Attainment Comparison (Population Age 25 and Over)**

| | High School Diploma | | Bachelor's Degree or Higher | |
|---|---|---|---|---|
| | 2017 | 2022 | 2017 | 2022 |
| **Howard County** | **95.3%** | **95.2%** | **61.2%** | **64.0%** |
| State of Maryland | 89.8% | 91.0% | 39.0% | 42.2% |
| U.S. | 87.3% | 89.1% | 30.9% | 34.3% |

*2022 and 2017 American Community Survey 5-Year Estimates.* U.S. Census Bureau.

The County's public school system consistently ranks among the State's top school districts based on student performance on the Maryland School Assessments.

## ECONOMIC INFORMATION

### GENERAL – COUNTY AND SUBMARKET

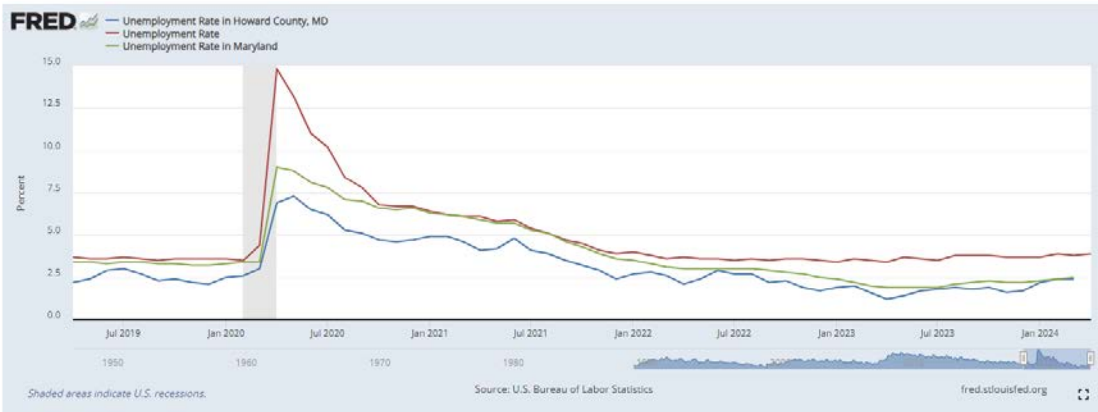
According to the Maryland Department of Commerce, the County's strategic location, strong employment base, high quality of life, and suburban setting position it as a favorable place to live and do business.[24] As reported by U.S. News and World Report, in terms of median household income 2018 through 2022, the County ranked seventh richest in the U.S.[25]

### EMPLOYMENT

From April 2019 through March 2020, the State and County unemployment rates never rose above 3.4% and were consistently below unemployment rates for the nation. Unemployment rates rose dramatically beginning in April 2020, reflecting the effects of the COVID-19 pandemic. Unemployment rates have since returned to pre-pandemic levels. As of March 2024, the unemployment rates for the County and State were 2.4% and 2.5%, respectively, well below the U.S. rate of 3.8%. [26]

[24] https://commerce.maryland.gov/Documents/ResearchDocument/HowardBef.pdf. Accessed by MuniCap on May 24, 2024.
[25] "The 15 Richest Counties in the U.S." *U.S. News and World Report* (December 20,2023).
[26] Federal Bank of St. Louis, Research Division. Not seasonally adjusted.

**FIGURE 1: COUNTY UNEMPLOYMENT RATES HAVE RETURNED TO PRE-PANDEMIC LEVELS**




According to CoStar, there are 104,455 employees within a 5-mile radius of the Development and 292,716 employees within a 10-mile radius of the Development. Industries with the largest employee include trade transportation, professional and business services, leisure and hospitality, public administration, and education and health services.

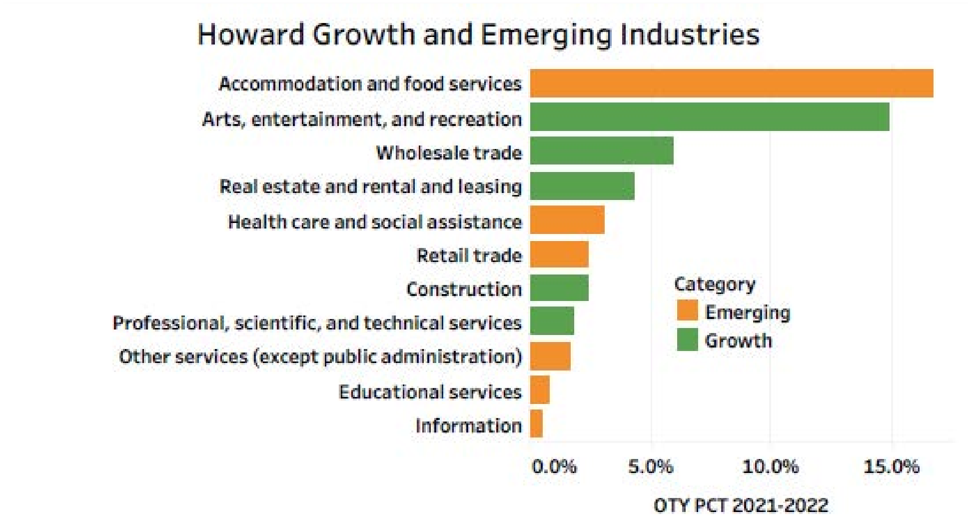
## FIGURE 2: DAYTIME EMPLOYMENT WITHIN 5- AND 10-MILE RADIUS OF DEVELOPMENT

Daytime Employment

| Radius | 5 mile | | | 10 mile | | |
|---|---|---|---|---|---|---|
| | Employees | Businesses | Employees Per Business | Employees | Businesses | Employees Per Business |
| **Service-Producing Industries** | **104,455** | **7,584** | **14** | **292,719** | **26,750** | **11** |
| Trade Transportation & Utilit... | 21,701 | 1,451 | 15 | 51,059 | 3,951 | 13 |
| Information | 2,965 | 211 | 14 | 9,385 | 659 | 14 |
| Financial Activities | 6,276 | 940 | 7 | 22,126 | 3,166 | 7 |
| Professional & Business Se... | 18,874 | 1,391 | 14 | 46,714 | 4,746 | 10 |
| Education & Health Services | 13,306 | 1,925 | 7 | 72,378 | 8,786 | 8 |
| Leisure & Hospitality | 19,093 | 719 | 27 | 42,529 | 2,209 | 19 |
| Other Services | 4,895 | 845 | 6 | 18,180 | 2,948 | 6 |
| Public Administration | 17,345 | 102 | 170 | 30,348 | 285 | 106 |
| **Goods-Producing Industries** | **10,723** | **800** | **13** | **53,621** | **2,806** | **19** |
| Natural Resources & Mining | 47 | 13 | 4 | 150 | 38 | 4 |
| Construction | 5,702 | 543 | 11 | 30,338 | 2,106 | 14 |
| Manufacturing | 4,974 | 244 | 20 | 23,133 | 662 | 35 |
| **Total** | **115,178** | **8,384** | **14** | **346,340** | **29,556** | **12** |

Howard County's job-growth outperformed the average State job-growth by 1.9% in Fiscal Year 2023.[27] Growth and emerging industries in Howard County include accommodation and food services, art, entertainment, and recreation, wholesale trade, real estate and rental leasing, health care and social assistance amongst others as identified on Figure 3.[28]

### FIGURE 3: HOWARD COUNTY GROWTH AND EMERGING INDUSTRIES




| Industry title | Employees | Number of Estabs | Avg weekly wage | LQ | OTY | OTY PCT 2021-2022 |
|---|---|---|---|---|---|---|
| Accommodation and food servic.. | 12,187 | 624 | 503 | 0.83 | 1,746 | 16.7% |
| Arts, entertainment, and recrea.. | 2,566 | 157 | 524 | 1.01 | 332 | 14.9% |
| Wholesale trade | 13,045 | 601 | 1,925 | 1.98 | 730 | 5.9% |
| Real estate and rental and leasi.. | 2,985 | 451 | 1,686 | 1.16 | 123 | 4.3% |
| Health care and social assistance | 16,410 | 1,194 | 1,152 | 0.73 | 486 | 3.1% |
| Retail trade | 15,749 | 864 | 858 | 0.92 | 376 | 2.4% |
| Construction | 10,937 | 845 | 1,629 | 1.29 | 254 | 2.4% |
| Professional, scientific, and tech.. | 32,591 | 2,571 | 2,507 | 2.81 | 575 | 1.8% |
| Other services (except public ad.. | 4,293 | 961 | 1,004 | 0.89 | 70 | 1.7% |
| Educational services | 2,873 | 243 | 962 | 0.87 | 23 | 0.8% |
| Information | 3,300 | 254 | 3,203 | 0.98 | 16 | 0.5% |

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[27] Source: Howard County Data Analytics and Statistics Hub. https://dash.howardcountymd.gov/MetricDetail.aspx?MetricID=834 Accessed by MuniCap on May 15, 2024.

[28] Source: Maryland Department of Labor – Howard County – Maryland's Growth Industry Tool – Workforce Information & Performance. https://labor.maryland.gov/lmi/wiagrowthind/howa.shtml. Accessed by MuniCap on May 15, 2024.

## INCOME

As mentioned, household income for the County greatly exceeds the national and State median and mean, with the County ranking as one the nation's wealthiest by these metrics.

### TABLE V-D
### Income Comparison

| | Household Income | | | | Individual Earnings (Full-Time, Year-Round) | | | |
|---|---|---|---|---|---|---|---|---|
| | 2012 | 2022 | % Change | CAGR | 2012 | 2022 | % Change | CAGR |
| **Howard County** | | | | | | | | |
| **Median** | **$107,821** | **$140,971** | **30.75%** | **2.72%** | **$64,474** | **$96,679** | **49.95%** | **4.13%** |
| **Mean** | **$130,101** | **$173,854** | **33.63%** | **2.94%** | **$90,506** | **$116,810** | **29.06%** | **2.58%** |
| **State of Maryland** | | | | | | | | |
| Median | $72,999 | $98,461 | 34.88% | 3.04% | $46,073 | $70,700 | 53.45% | 4.38% |
| Mean | $94,941 | $129,642 | 36.55% | 3.16% | $69,139 | $91,732 | 32.68% | 2.87% |
| **U.S.** | | | | | | | | |
| Median | $53,046 | $75,149 | 41.67% | 3.54% | $35,522 | $57,377 | 61.53% | 4.91% |
| Mean | $73,034 | $105,833 | 44.91% | 3.78% | $57,906 | $79,443 | 37.19% | 3.21% |

*2012 and 2022 ACS 5-Years Estimates.* U.S. Census Bureau

## CONSUMER SPENDING

According to analytics by CoStar, average household and per capita consumer spending in the immediate submarket is projected to increase at a compounded annual growth rate of approximately 2% from 2023 through 2028.

### FIGURE 4: AVERAGE HOUSEHOLD & PER CAPITA SPENDING IN THE SUBMARKET - 2023

Consumer Spending Details

2023 2028

| Radius | 5 mile | | | 10 mile | | |
|---|---|---|---|---|---|---|
| Expand All | Total Spending | Avg Household | Per Capita | Total Spending | Avg Household | Per Capita |
| Apparel | $136,435,922 | $1,924 | $716 | $496,226,604 | $1,988 | $745 |
| Entertainment, Hobbies & P... | $364,569,105 | $5,142 | $1,914 | $1,402,947,011 | $5,622 | $2,106 |
| Food & Alcohol | $657,274,984 | $9,270 | $3,451 | $2,434,464,527 | $9,755 | $3,654 |
| Household | $428,134,967 | $6,038 | $2,248 | $1,674,168,463 | $6,708 | $2,513 |
| Transportation & Maintenance | $634,522,591 | $8,949 | $3,331 | $2,408,302,989 | $9,650 | $3,614 |
| Health Care | $103,361,324 | $1,458 | $543 | $414,980,277 | $1,663 | $623 |
| Education & Daycare | $181,891,809 | $2,565 | $955 | $723,025,973 | $2,897 | $1,085 |
| Total Specified Consumer S... | $2,506,190,702 | $35,346 | $13,158 | $9,554,115,844 | $38,284 | $14,339 |

Source: CoStar data as accessed and reported by MuniCap.

### FIGURE 5: AVERAGE HOUSEHOLD & PER CAPITA SPENDING IN THE SUBMARKET – 2028 (PROJECTED)

Consumer Spending Details

2023 2028

| Radius | 5 mile | | | 10 mile | | |
|---|---|---|---|---|---|---|
| Expand All | Total Spending | Avg Household | Per Capita | Total Spending | Avg Household | Per Capita |
| Apparel | $150,238,419 | $2,028 | $755 | $539,848,408 | $2,096 | $785 |
| Entertainment, Hobbies & P... | $400,264,582 | $5,402 | $2,012 | $1,517,586,261 | $5,892 | $2,208 |
| Food & Alcohol | $749,926,003 | $10,121 | $3,770 | $2,740,045,884 | $10,637 | $3,986 |
| Household | $462,068,788 | $6,236 | $2,323 | $1,784,903,578 | $6,929 | $2,597 |
| Transportation & Maintenance | $756,871,018 | $10,215 | $3,805 | $2,840,423,005 | $11,027 | $4,132 |
| Health Care | $123,536,137 | $1,667 | $621 | $483,688,313 | $1,878 | $704 |
| Education & Daycare | $211,666,790 | $2,857 | $1,064 | $824,434,956 | $3,201 | $1,199 |
| Total Specified Consumer S... | $2,854,571,737 | $38,526 | $14,352 | $10,730,930,405 | $41,659 | $15,612 |

Source: CoStar data as accessed and reported by MuniCap.

## HOME VALUES AND OWNERSHIP CHARACTERISTICS

The median value of owner-occupied homes in the County is significantly higher than the corresponding medians for the State and the nation.

**TABLE V-E**
**Home Value Comparison**

| Area | Median Home Value (Owner-Occupied Units) | | | |
|---|---|---|---|---|
| | 2012 | 2022 | % Change | CAGR |
| **Howard County** | **$435,300** | **$551,300** | **26.65%** | **2.39%** |
| State of Maryland | $304,900 | $380,500 | 24.80% | 2.24% |
| U.S. | $181,400 | $281,900 | 55.40% | 4.51% |

*2012 and 2022 American Community Survey 5-Year Estimates.* U.S. Census Bureau.

## SUBMARKET CONDITIONS

According to CoStar, key metrics for the relevant submarket by sector are as described below.

The County multifamily submarket has a vacancy rate of 6.2%, which is down from the previous year and lower than the Baltimore market as a whole. Rents have increased by 2.4% over the past year, and, at an average asking rent of $2,091 per unit, are 25.8% higher than the asking rents for the greater Baltimore market.

The BWI Howard County office submarket has a vacancy rate of 1.6%, which. is lower than its three-year average (15.2%). Rents have increased by 3.2% over this same period and currently average $28.74 for 4–5-star properties.

The BWI Howard County retail submarket has a vacancy rate of 1.6%, which is higher than its trailing three-year average of 1.4% but significantly lower than the Baltimore market's vacancy rate of 5.6%. Rents have increased by 7.0% over the past three years.

The Baltimore Area hospitality submarket has averaged 65.3% occupancy over the past year, with current occupancy at 71.2%. As of April 2024, 12-month average RevPAR in the Baltimore Area hotel submarket was climbing at an annual rate of 4.6%.

## EXHIBIT A: MAP OF ANNAPOLIS JUNCTION TOWN CENTER TIF DISTRICT

# VI. Existing and Proposed Development

## Overview

The Existing Development, which has already been delivered, includes the following:

> **Residential Structure (The Residences at Annapolis Junction)** – Delivered in 2017, the 530,441 square foot "Texas Donut" building contains 416 apartment units and a 624-space multi-storied structure parking garage. Amenities at the apartment include large courtyards, individual storage units, a large clubhouse, a fitness center, a large pool, a media room, a game room, a pet grooming facility and walking yard, a fire pit courtyard, a bocce ball court, and a library. The Residential Structure's fully phased-in assessed value is $120,642,600 (as of January 1, 2023), or $227 per square foot. The value of the parking structure is reflected within the apartment value.
>
> **Retail Structure** – Delivered in 2017, the 5,420 square foot Retail Structure is fully leased, with Pepperjacks Subs as a current tenant. The Retail Structure's fully phased-in assessed value is $1,047,700 (as of January 1, 2023), or $193 per square foot.
>
> **Office** Structure– Delivered in 2017, the 101,200 square foot Office Structure has a fully phased-in assessed value of $18,615,500 (as of January 1, 2023), or $184 per square foot. This parcel also contains the 184,200 square foot Commercial Parking Structure comprising 575 parking spaces. The value of the Commercial Parking Structure is included in the Office Structure's value.

According to the Developer, Future Development is to occur on approximately 2.5 acres and is expected to be delivered in three to five years, or from 2027 through 2029. Projections herein assume Future Development is completed in 2027 under Scenario B.[29] Those portions of the Future Development considered for purposes of projecting Tax Increment Revenues herein include the following:

> **Future Apartments** – The anticipated Future Apartments will include 300 units. A separate parking structure with 376 parking spaces is also anticipated to be delivered. The value of the parking structure is assumed to be reflected in the apartment value. The value associated with 85,241 square feet of Future Amenity Space is also included in the projected Future Apartments.
>
> **Future Retail** – The anticipated development will include 7,729 square feet of retail/restaurant space which will be located within the apartment and hotel building.
>
> **Future Hotel** – The anticipated development will include a 110-room hotel. The hotel is intended primarily to serve the business clientele generated by the nearby office and industrial parks, as well as Fort Meade.

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[29] According to Developer, such timeframe is contingent on Developer obtaining favorable financing terms.

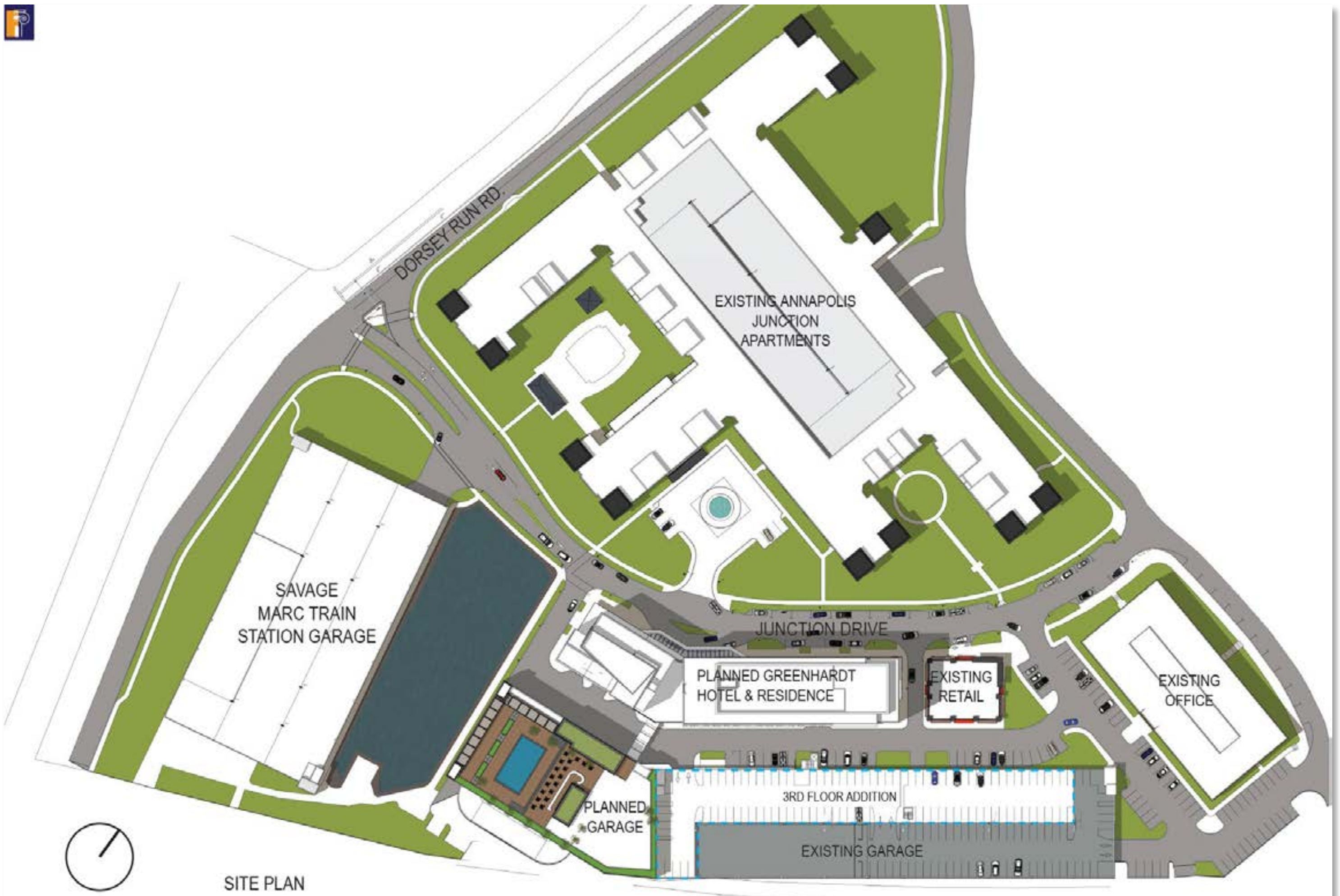
Table VI-A on the following page summarizes the portions of the Development included in projections of Tax Increment Revenues herein. Detailed estimated absorption is provided on an annual basis in Appendices A and B, attached hereto. Exhibit B at the end of this section provides a site plan for the Development District.

## TABLE VI-A
## Included Existing and Future Development

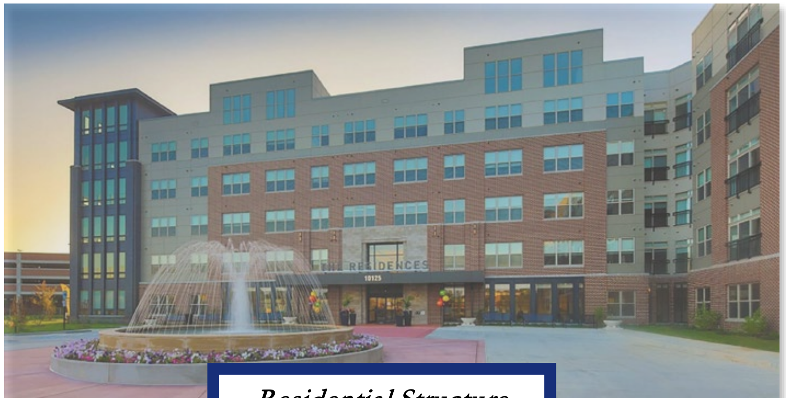
| Property Type | Property Area[1] | | | | |
|---|---|---|---|---|---|
| | Gross SF | Units | GSF per Unit | Spaces | Rooms |
| ***Existing Development***[a] | | | | | |
| Parcel B: | | | | | |
| Residential Structure | 530,441 | 416 | 1,275 | - | - |
| Garage | 231,000 | - | - | 624 | - |
| Sub-total Parcel B | 530,441 | 416 | - | - | - |
| Sub-total Parcel B (including garage) | 761,441 | 416 | - | 624 | - |
| | | | | | |
| Parcel E: | | | | | |
| Retail Structure | 5,420 | - | - | - | - |
| | | | | | |
| Parcel K: | | | | | |
| Office Structure | 101,200 | - | - | - | - |
| Commercial Garage Structure | 184,200 | - | - | 575 | - |
| Sub-total Parcel K | 101,200 | - | - | - | - |
| Sub-total Parcel K (including garage) | 285,400 | - | - | 575 | - |
| | | | | | |
| Parcel A: | | | | | |
| Commuter Parking Garage | 260,400 | - | - | 704 | - |
| Total Existing Development | 637,061 | 416 | - | - | - |
| Total Existing Development (including garages) | 1,312,661 | 416 | - | 1,903 | - |
| | | | | | |
| ***Future Development***[b] | | | | | |
| Parcel J: | | | | | |
| Future Apartments | 244,438 | 300 | 815 | - | - |
| Future Retail | 7,729 | - | - | - | - |
| Future Hotel | 62,030 | - | - | - | 110 |
| Future Amenity Space | 85,241 | - | - | - | - |
| Future Garage | 188,581 | - | - | 376 | - |
| Total Future Development | 399,438 | 300 | - | - | 110 |
| Total Future Development (including garage) | 588,019 | 300 | - | 376 | 110 |
| Total Development | 1,036,499 | 716 | - | - | 110 |
| Total Development (including garages) | 1,900,680 | 716 | - | 2,279 | 110 |

[a]Represents existing development based on information provided by Administrator in *Developer's Quarterly Continuing Disclosure Statement for Period Ending March 31, 2024*.
[b]Represents projected future development based on information provided by Developer.

## EXHIBIT B: ANNAPOLIS JUNCTION TOWN CENTER SITE PLAN



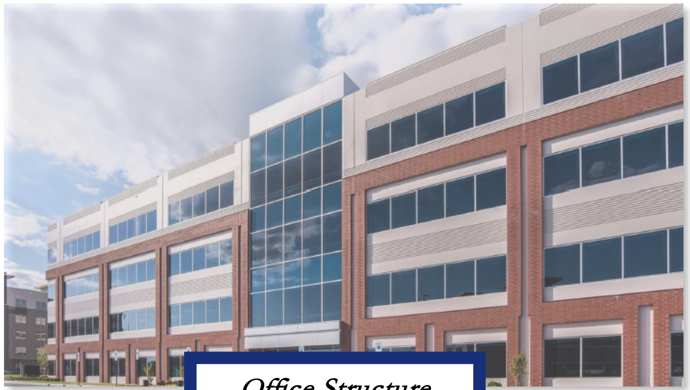
## EXHIBIT C: EXISTING DEVELOPMENT (PHOTOGRAPHS)



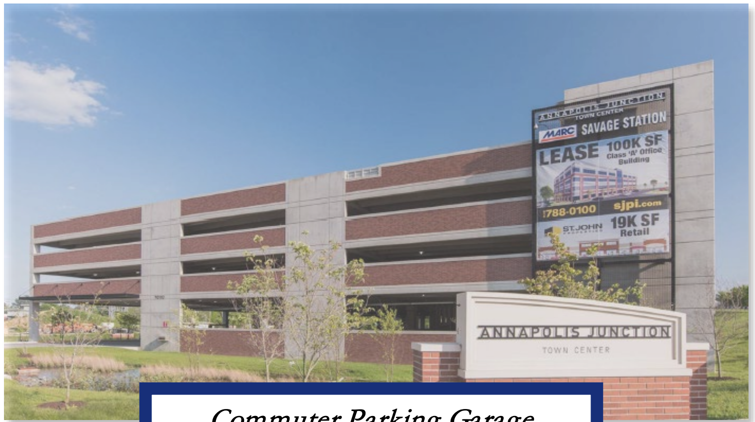

*Residential Structure*

*Retail Structure*

# EXHIBIT C: EXISTING DEVELOPMENT (PHOTOGRAPHS)



*Office Structure*




*Commuter Parking Garage*

*Parcel J – Future Apartments, Hotel, Retail, and Structured Parking Garage*

# VII. Projection of Market and Assessed Values

## Overview

As outlined in the discussion on assessment procedures in the County, assessed values are based on values as appraised by the Supervisor of Assessments, which, in turn, are meant to represent fair market value. Different property types are appraised using different methods, as described in Section II of this report. In the case of Existing Development, actual assessed values as provided by SDAT are assumed. This section of the report includes the estimated assessed value and an explanation of the methodology used for Future Development.

### Assumptions

The properties are first assumed to be on the tax roll as developed property based on estimates of when the property will be substantially completed. No interim construction values are estimated in this report.

Table VII-A below shows when included Future Development is assumed to first be assessed under these assumptions. Refer to Appendix A, attached hereto, for detailed annual absorption figures.

**TABLE VII-A**
**Projected Completion Dates – Future Development**

| Property Type | Estimated Completion[(a)] | Date Improved Value Appears on Assessor's Roll |
|---|---|---|
| **Parcel J** | | |
| Apartments | 2027 | 2028 |
| Retail | 2027 | 2028 |
| Hotel | 2027 | 2028 |

[(a)]According to Developer, anticipated delivery of Future Development is three to five years, contingent on Developer obtaining favorable financing terms. Projections herein assume two-year construction schedule, commencing in 2025, with delivery in 2027.

This study assumes an inflation rate of two percent to account for the effect of market appreciation in Scenario A. SDAT reassesses property on a triennial basis, with increases in value due to property appreciation are phased-in over the following three years.

For purposes of estimating value in this report, MuniCap interviewed SDAT staff and analyzed current market and assessed values for existing comparable properties. As subsequently described, MuniCap ultimately relied on the values of comparable properties to establish estimates of stabilized value on a per unit and per square foot basis for Future Development, based on the development program outlined in Table VI-A. MuniCap also estimated current market values under the income capitalization and cost approaches.

## COMPARABLE PROPERTIES

As described in Section V of this report, the proposed Project consists of several commercial components. To estimate the value of these properties, MuniCap reviewed a sample of properties believed to be of similar quality to the subject site. MuniCap compiled and analyzed assessment information of proximate similar properties, which is a basis of estimating future assessed values at the subject property.

Generally, it is expected that newly developed property will achieve similar values to comparable existing property in the same market area. The two major challenges in making these comparisons are:

1. Accurately identifying the true market area in which the subject property will be competing; and
2. Accurately identifying similar projects that truly allow for a direct comparison of the subject property.

To address these concerns as sufficiently as possible, MuniCap consulted with the Developer to ascertain the existing properties they viewed as direct competition to Future Development. MuniCap also reviewed the comparable properties mentioned in the Market Study and the Appraisals. In addition, MuniCap conducted independent research, selecting potentially comparable properties based on use, size, age, quality, and location. The resulting comparable properties were then discussed with the SDAT staff for verification that they were suitable comparisons for the subject properties. Finally, MuniCap conducted site visits to examine the location and condition of select comparable properties used herein. The results described in this sub-section.

### RESULTS – COMPARABLE PROPERTIES

This sub-section includes an overview of the comparable properties used to estimate value for each property type. For a comprehensive listing of the parcels used for comparison, refer to Appendix E, attached hereto.

### RESIDENTIAL

For comparison to the proposed apartment development, MuniCap examined apartment properties in Anne Arundel County and Howard County, with a particular focus on Existing Development located in the District. MuniCap also held discussions with SDAT staff to gain insight on the comparability of various properties. Analyzed properties are shown in Table VII-B on the following page. Details on the property chosen for comparison are shown in the accompanying exhibits on subsequent pages.

As shown in Table VII-B, MuniCap used the value of Residential Structure for purposes of projecting value for future apartment development.

## TABLE VII-B
## Comparable vs. Subject Properties – Apartments[(a)]

| Development | Year Built | Address | County | Property Area: Gross SF[(b)] | Property Area: Units[(b)] | Assessed Value[(a)]: Total | Assessed Value[(a)]: Per GSF | Assessed Value[(a)]: Per Unit | Most Comparable: Per GSF | Most Comparable: Per Unit |
|---|---|---|---|---|---|---|---|---|---|---|
| ***Apartments*** | | | | | | | | | | |
| The Residences at Annapolis Junction[(c)] | 2017 | 10125 Junction Drive | Howard | 530,441 | 416 | $120,642,600 | $227 | $290,006 | $227 | $290,006 |
| The Vine | 2018 | 10945 Price Manor Way | Howard | 536,742 | 283 | $65,099,600 | $121 | $230,034 | - | - |
| The Refinery | 2020 | 7000 Barnett Lane | Howard | 206,016 | 250 | $71,451,200 | $347 | $285,805 | - | - |
| Dartmoor Place Apartments | 2020 | 7200 Alden Way | Howard | 269,550 | 258 | $54,748,200 | $203 | $212,202 | - | - |
| Vista Wilde Lake | 2017 | 5421 Lynx Lane | Howard | 227,152 | 230 | $56,689,400 | $250 | $246,476 | - | - |
| The Wexley at 100 | 2019 | 5875 Meadowridge Road | Howard | 502,921 | 394 | $48,739,000 | $97 | $123,703 | - | - |
| The Shirley | 2021 | 2005 Town Center Boulevard | Anne Arundel | 249,791 | 270 | $74,235,000 | $297 | $274,944 | - | - |
| The Arundel | 2018 | Arundel Mills Boulevard | Anne Arundel | 221,100 | 233 | $60,155,300 | $272 | $258,177 | - | - |
| Residences at Arundel Preserves | 2011 | Milestone Parkway | Anne Arundel | 276,732 | 242 | $55,960,000 | $202 | $231,240 | - | - |
| Average | | | | | | | $224 | $239,176 | ***$227*** | $290,006 |

[(a)]Information illustrated for each property based on information provided by SDAT. Value chosen for each type of development is underlined and shown in bold and italics.

[(b)]Gross square footage and units provided by CoStar as accessed by MuniCap on April 18, 2024.

[(c)]Gross square footage and units provided by Administrator in Annual Development Activity and Disclosure Report for the Period Ending December 31, 2023. Does not include parking garage associated with the apartments.

## FUTURE APARTMENT COMPARABLE PROPERTIES

**Property 1**

**Residences at Annapolis Junction**

(Identified as most comparable to Subject Property)

| Characteristics | | |
|---|---|---|
| Address | 10125 Junction Drive | |
| Parcel ID[(a)] | 06-403344 | |
| Square feet[(b)] | 530,441 | |
| Units[(b)] | 416 | |
| Stories | 6 | |
| Land area (acres)[(a)] | 7.430 | (1.64 FAR) |
| Location type | Urban | |
| Submarket | Jessup-Howard | |
| Distance from subject property[(c)] | 0 miles | |
| Assessor property class[(a)] | Apartments | |
| CoStar description | 4-star mid-rise apartments; Class A | |
| Constuction type[(a)] | Class A: masonry | |
| Year built[(a)] | 2017 | |
| Parking | Covered | |
| Square feet[(b)] | 231,000 | |
| Spaces[(b)] | 624 | |
| Occupancy | 94% | |
| Rent | $2.61 Per SF, $2,471 Per Unit (Asking rent) | |
| Market assessed value[(a)] | $120,642,600 | ($227.44 PSF) |

Source: CoStar data as accessed and reported by MuniCap, except as noted.

[(a)]Based on information provided by SDAT.

[(b)]Gross square footage and units provided by Administrator in Annual Development Activity and Disclosure Report for the Period Ending December 31, 2023.

[(c)]Represents shortest driving distance to Annapolis Junction Town Center from comparable property according to Google Maps as researched by MuniCap. Retrieved May 9, 2024.

## COMMERCIAL

For comparison to the proposed commercial Future Development, MuniCap examined commercial properties in Howard County and Anne Arundel County, with a particular focus on Existing Development wherever applicable. MuniCap also held discussions with SDAT staff and reviewed the properties suggested by the Developer. These properties are shown in Table VII-C and VII-D on the following page. Details on the properties chosen for comparison are shown in the accompanying exhibits.

MuniCap used the assessed values of select properties shown in Table VII-C and Table VII-D for purposes of projecting value for the Future Retail and Future Hotel components of at the Future Development, respectively.

## TABLE VII-C
## Comparable vs. Subject Properties – Retail/Restaurant[(a)]

| Development | Year Built | Address | County | Property Area Gross SF[(b)] | Assessed Value[(a)] Total | Assessed Value[(a)] Per GSF | Most Comparable Per GSF |
|---|---|---|---|---|---|---|---|
| *Retail/restaurant* | | | | | | | |
| Annapolis Junction Town Center[(c)] | 2017 | 10150 Junction Drive | Howard | 5,420 | $1,047,700 | $193 | $193 |
| Freestanding retail | 2002 | 6500 Waterloo Road | Howard | 6,400 | $1,531,300 | $239 | - |
| Route 100 Tech Park | 2014 | 1741 Dorsey Road | Anne Arundel | 10,776 | $2,790,200 | $259 | - |
| National Business Park | 2002 | 114 National Business Parkway | Anne Arundel | 10,100 | $2,086,300 | $207 | - |
| Freestanding retail | 2019 | 11710 E Market Place | Howard | 8,939 | $1,616,700 | $181 | - |
| Shipley's Grant | 2015 | 5715 Richards Valley Road | Howard | 8,100 | $2,457,900 | $303 | - |
| Average | | | | | | $230 | ***$193*** |

[(a)]Information illustrated for each property based on information provided by SDAT. Value chosen for each type of development is underlined and shown in bold and italics.

[(b)]Gross square footage and units provided by CoStar as accessed by MuniCap on April 18, 2024.

[(c)]Gross square footage and units provided by Administrator in Annual Development Activity and Disclosure Report for the Period Ending December 31, 2023. Does not include parking garage associated with the apartments.

## TABLE VII-D
## Comparable Properties – Hotel[(a)]

| Development | Year Built | Address | County | Property Area GSF[(b)] | Property Area Rooms[(b)] | Assessed Value[(a)] Total | Assessed Value[(a)] Per GSF | Assessed Value[(a)] Per Room | Most Comparable Per GSF | Most Comparable Per Room |
|---|---|---|---|---|---|---|---|---|---|---|
| *Hotel* | | | | | | | | | | |
| The Hotel at Arundel Preserve | 2011 | 7795 Arundel Mills Boulevard | Anne Arundel | 140,000 | 150 | $16,034,700 | $115 | $106,898 | $115 | $106,898 |
| Cambria Hotels Arundel Mills - BWI Airport | 2019 | 7700 Milestone Parkway | Anne Arundel | 40,000 | 122 | $7,282,100 | $182 | $59,689 | - | - |
| Residence Inn Fulton at Maple Lawn | 2019 | 11800 W Market Place | Howard County | 78,972 | 103 | $10,243,700 | $130 | $99,453 | - | - |
| Homewood Suites by Hilton Columbia/Laurel | 2015 | 7531 Montpelier Road | Howard County | 195,600 | 114 | $16,551,200 | $85 | $145,186 | - | - |
| Average | | | | | | | $128 | $102,807 | $115 | ***$106,898*** |

[(a)]Information illustrated for each property based on information provided by SDAT. Value chosen for each type of development is underlined and shown in bold and italics.

[(b)]Gross square footage and units provided by CoStar as accessed by MuniCap on April 18, 2024.

## FUTURE RETAIL COMPARABLE PROPERTIES

**Property 1**

**Annapolis Junction Town Center**

(Identified as most comparable to Subject Property)


| Characteristics | |
|---|---|
| Address | 10150 Junction Drive |
| Parcel ID[a] | 06-595981 |
| Square feet[a] | 5,420 |
| Stories | 1 |
| Land area (acres)[a] | 0.520 (0.24 FAR) |
| Location type | Urban |
| Submarket | BWI Howard County |
| Distance from subject property[b] | 0 miles |
| Assessor property class[a] | Commercial |
| CoStar description | 3-star retail freestandingt; Class B |
| Constuction type[a] | Class B |
| Year built[a] | 2017 |
| Tenants | Pepperjacks Subs & Sandwiches |
| Parking | Surface |
| Spaces | 13 |
| Occupancy | 100% |
| Rent | $22.69 (CoStar Est) |
| Market assessed value[a] | $1,047,700 ($193.30 PSF) |

Source: CoStar data as accessed and reported by MuniCap, except as noted.

[a]Based on information provided by SDAT.

[b]Represents shortest driving distance to Annapolis Junction Town Center from comparable property according to Google Maps as researched by MuniCap. Retrieved May 9

## Hotel Comparable Properties

**Property 1**
**The Hotel at Arundel Preserve**
(Identified as most comparable to Subject Property)


| Characteristics | | |
|---|---|---|
| Address | 7795 Arundel Mills Boulevard | |
| Parcel ID[a] | 04-000-90231748 | |
| Square feet/Rooms[a] | 140,000/150 | |
| Stories | 7 | |
| Land area (acres)[a] | 1.320 | (2.43 FAR) |
| Location type | NA | |
| Submarket | BWI Airport | |
| Distance from subject property[b] | 5.7 miles | |
| Assessor property class[a] | Commercial | |
| CoStar description | Upscale Hotel | |
| Constuction type[a] | Reinforced concrete | |
| Year built[a] | 2011 | |
| Tenants | The Hotel at Arundel Preserve | |
| Parking | Covered/Surface | |
| Spaces | 300/50 | |
| Market assessed value[a] | $16,034,700 | ($115 PSF) |

Source: CoStar data as accessed and reported by MuniCap, except as noted.
[a]Square feet based on information provided by SDAT. Rooms provided by CoStar, as accessed and reported by MuniCap.
[b]Represents shortest driving distance to Annapolis Junction Town Center from comparable property according to Google Maps as researched by MuniCap. Retrieved May 9, 2024.

## INCOME CAPITALIZATION APPROACH

As a check on estimates of values established by comparable properties, MuniCap also estimated market value using an income capitalization model. For income generating properties, owners may appeal assessed values on an income capitalization basis. To estimate future values for commercial properties in the District, MuniCap generated projections using an income capitalization model based on analysis of information provided by SDAT, the Developer, and third-party sources as noted. MuniCap relied most heavily on assumptions employed by SDAT to assess the existing property at Annapolis Junction Town Center. These calculations are included in Appendix F of this report, attached hereto.

In estimating values using income capitalization, MuniCap endeavored to replicate the process used by SDAT. This process involves first estimating the rent paid by tenants at the property, which is assumed to be "triple net" for the retail component and gross rent for the other property types. Under a triple net lease, the tenant pays, in addition to its rent, the real property taxes, building insurance, and maintenance on the portion of the building rented by the tenant. When such information is available, SDAT will use actual rents when valuing the building. In the absence of actual rent rates, SDAT will estimate market rents.

Once the rental rate has been established, the SDAT then deducts a percentage for vacancy and a percentage for expenses not passed on directly to the tenant. The resulting figure is the net operating income, or NOI, of the property. The NOI is then divided by a capitalization rate to calculate the current fair market value of the property.

MuniCap's estimated values of the proposed commercial property in the District using the income capitalization approach are shown in Tables VII-E, VII-F, and VII-G on the following pages. Calculations of value using the income approach are also included in Appendix F, attached hereto.

**TABLE VII-E**
**Income Capitalization Approach to Valuation (Apartments)**

| | CoStar Property Data[a] | Developer Assumptions Future Apartments[b] |
|---|---|---|
| Monthly rent per square foot | $1.93 | $2.95 |
| Annual rent per square foot | $23.10 | $35.35 |
| Monthly rent per unit[a] | $2,455 | $2,400 |
| Annual rent per unit | $29,460 | $28,800 |
| Other annual income per unit[c] | $2,274 | $0 |
| Total annual income per unit | $31,734 | $28,800 |
| | | |
| Occupancy[a] | 94% | 94% |
| Effective rent per square foot | $21.65 | $33.12 |
| Effective rent per unit | $29,734.77 | $26,985.60 |
| | | |
| Expense ratio[d] | 25.75% | 23.00% |
| Expenses | ($7,656.70) | ($6,206.69) |
| Net operating income per square foot | $16.07 | $25.50 |
| Net operating income per unit | $22,078 | $20,779 |
| | | |
| Capitalization rate[d] | 5.450% | 5.450% |
| Tax rate[e] | 1.126% | 1.126% |
| Fully loaded capitalization rate | 6.576% | 6.576% |
| | | |
| Value per unit | $335,737 | ***$315,981*** |
| Value per gross square foot | $412.05 | ***$387.81*** |

[a]Represents data based on current CoStar property data as accessed by MuniCap on May 1, 2024, unless stated otherwise.
[b]Based on information provided by Developer.
[c]Represents information provided by CoStar based on underwriting for existing apartments at development.
[d]Based on interviews with SDAT staff.
[e]Includes fiscal year 2024 Howard County ($1.014) and Maryland State ($0.112) tax rate.

**TABLE VII-F**
**Income Capitalization Approach to Valuation (Retail)**

| | CoStar Assumptions[a] | Assessor Assumptions[b] | Developer Assumptions[c] |
|---|---|---|---|
| Monthly rent per square foot | $1.89 | $2.55 | $2.50 |
| Annual rent per square foot | $22.69 | $30.64 | $30.00 |
| | | | |
| Occupancy[a] | 100% | 100% | 100% |
| Effective rent per square foot | $22.69 | $30.64 | $30.00 |
| | | | |
| Expense ratio[a] | 27% | 16% | 27% |
| Expenses | ($6.19) | ($4.90) | ($8.19) |
| Net operating income per square foot | $16.50 | $25.74 | $21.81 |
| | | | |
| Capitalization rate[b] | 6.800% | 8.400% | 8.400% |
| Tax rate[d] | 1.126% | 1.126% | 1.126% |
| Fully loaded capitalization rate | 7.926% | 9.526% | 9.526% |
| | | | |
| Value per gross square foot | $208.14 | $270.18 | ***$228.97*** |

[a]Represents data based on current CoStar market data as accessed by MuniCap on May 1, 2024, unless stated otherwise.

[b]Based on MuniCap interviews with SDAT staff unless stated otherwise.

[c]Based on information provided by Developer.

[d]Includes fiscal year 2024 Howard County ($1.014) and Maryland State ($0.112) tax rate.

**TABLE VII-G**

**Income Capitalization Approach to Valuation (Hotel)**

| | CoStar Financials Assumptions[a] | Developer Assumptions |
|---|---|---|
| Average daily rate per room[b] | $112.78 | $150.00 |
| Gross annual income | $41,165 | $54,750 |
| Assumed occupancy[c] | 67% | 70% |
| Effective gross income per room | $27,580.53 | $38,325.00 |
| | | |
| Assumed expense ratio[c] | 64% | 58% |
| Less: assumed expenses | ($17,696.31) | ($22,036.88) |
| Net operating income per room | $9,884.22 | $16,288.13 |
| | | |
| Capitalization rate[c] | 9.390% | 9.400% |
| Tax rate[d] | 1.126% | 1.126% |
| Fully loaded capitalization rate | 10.52% | 10.53% |
| | | |
| Total estimated value per room | $93,992 | ***$154,742*** |

[a] Assumptions reflect Upscale and Upper Midscale BWI Submarket information provided by CoStar as accessed by MuniCap on April 26, 2024.

[b] Based on information provided by Developer.

[c] Assumptions by MuniCap, informed by interviews with SDAT staff.

[d] Includes fiscal year 2024 Howard County ($1.014) and Maryland State ($0.112) tax rate.

## COST APPROACH

As a final approach to projecting assessed value, MuniCap estimated values using the cost approach. The Supervisor of Assessments frequently values newly constructed commercial property on a cost basis prior to stabilization of income from the property.

As stated in Section II, the cost approach involves estimating the site value (land and site improvements), estimating the cost of replacing the existing building with one of similar usefulness, and deducting all sources of depreciation.[30]

MuniCap assumed an improved site value of $978,600 based on the 2023 SDAT assessed value of the land. MuniCap then apportioned this value among the various property types on the basis of improvement value.[31] MuniCap estimated the cost of the actual structures using "Commercial Estimator 7" software by Marshall & Swift/Boeckh, LLC. As the buildings will be newly constructed, no allowance was made for depreciation.

Projections of value under the cost approach are shown in Table VII-H on the following page.

[30] Based on discussions with SDAT, no allowance for entrepreneurial profit was assumed when estimating values under the cost approach.
[31] Based on values estimated under the comparable approach.

## TABLE VII-H
## Cost Approach to Valuation[a]

| Occupancy | Class | Height | Stories | Rank |
|---|---|---|---|---|
| ***Apartments*** | Fireproof Structural Steel Frame | 9' | 16/18 | Very Good |
| *Structure cost -- apartment building* | | | | |
| Base cost per square foot | $135.90 | | | |
| Exterior walls per square foot | $39.44 | | | |
| Heating & cooling per square foot | $15.22 | | | |
| Estimated improved value per square foot based on cost | $190.56 | | | |
| *Land value* | | | | |
| Estimated land value per square foot[b] | $1.66 | | | |
| Total estimated market value per square foot | $192.22 | | | |
| Gross square feet[c] | 329,679 | | | |
| Sub-total apartment structure cost | $63,372,293 | | | |
| ***Hotel*** | Fireproof Structural Steel Frame | 10' | 13/15 | Very Good |
| *Structure cost* | | | | |
| Base cost per square foot | $200.30 | | | |
| Exterior walls per square foot | $45.07 | | | |
| Heating & cooling per square foot | $20.97 | | | |
| Estimated improved value per square foot based on cost | $266.34 | | | |
| *Land value* | | | | |
| Estimated land value per square foot[b] | $1.66 | | | |
| Total estimated market value per square foot | $268.00 | | | |
| Gross square feet[d] | 62,030 | | | |
| Sub-total hotel structure cost | $16,624,303 | | | |
| ***Retail/Restaurant*** | Fireproof Structural Steel Frame | 12' | 1 | Very Good |
| *Structure cost* | | | | |
| Base cost per square foot | $243.12 | | | |
| Exterior walls per square foot | $45.12 | | | |
| Heating & cooling per square foot | $36.23 | | | |
| Estimated improved value per square foot based on cost | $324.47 | | | |
| *Land value* | | | | |
| Estimated land value per square foot[b] | $1.66 | | | |
| Total estimated market value per square foot | $326.13 | | | |
| Gross square feet[d] | 7,729 | | | |
| Sub-total restaurant structure cost | $2,520,691 | | | |
| ***Garage*** | Fireproof Structural Steel Frame | 8' | 5/6 | Very Good |
| *Structure cost* | | | | |
| Base cost per square foot | $85.79 | | | |
| Exterior walls per square foot | $18.41 | | | |
| Heating & cooling per square foot | $0.00 | | | |
| Estimated improved value per square foot based on cost | $104.20 | | | |
| *Land value* | | | | |
| Estimated land value per net square foot[b] | $1.66 | | | |
| Total estimated market value per square foot | $105.86 | | | |
| Gross square feet[d] | 188,581 | | | |
| Sub-total garage structure cost | $19,963,983 | | | |
| Sub-total estimated garage and apartment market value per square foot | $252.78 | | | |

[a]All cost estimates by MuniCap, Inc., using Marshall & Swift "Commercial Estimator 7" software.

[b]See Appendix G-II.

[c]See Appendix B-I. Includes gross square feet of Future Apartments and Future Amenity Space.

[d]See Appendix B-I.

## COMPARISON OF VALUATION APPROACHES

A comparison of assessed value estimates under each approach is shown in Table VII-I on the following page.[32] As shown in Table VII-I, MuniCap used comparable properties for the purposes of projecting assessed values for Future Development.

[32] According to SDAT, stabilization typically occurs one to three years following construction completion or upon the next property revaluation when sufficient income data is available. The next revaluation is expected to occur as of 2026. See Appendix A for projected absorption.

## TABLE VII-I
## Comparison of Valuation Approaches[a]

| Property Type | Comparables[b] (Scenarios A and B) | Income Capitalization[c] | Cost Approach[d] | Assessed Value as Recorded on SDAT Total | Per GSF |
|---|---|---|---|---|---|
| ***Existing Development*** | | | | | |
| Parcel B - Residential Structure | - | - | - | $120,642,600 | $227.44 |
| Parcel E - Retail Structure | - | - | - | $1,047,700 | $193.30 |
| Parcel K - Office Structure[e] | - | - | - | $18,615,500 | $183.95 |
| ***Future Development*** | | | | | |
| Apartments | | | | | |
| Per Unit | $290,006 | $315,981 | $277,788 | | |
| Per SF | ***$227.44*** | $387.81 | $252.78 | | |
| Retail/restaurant | | | | | |
| Per SF | ***$193.30*** | $228.97 | $326.13 | | |
| Hotel | | | | | |
| Per Room | ***$106,898*** | $154,742 | $151,130 | | |
| Per SF | $189.57 | $274.41 | $268.00 | | |
| Future Development total projected stabilized value | ***$100,254,691*** | $113,585,630 | $102,481,269 | | |

[a]Valuation approach chosen for each type of development is underlined and shown in bold and italics.

[b]See Appendix E.

[c]See Appendix F.

[d]See Appendix G. Apartment values include cost of parking structure. Total Future Development projected stabilized value includes costs associated with 85,241 square feet of Future Amenity Space.

[e]Value of garages are included in projected value of associated apartment and office buildings.

## CURRENT MARKET AND ASSESSED VALUES

Based on information provided by SDAT, the existing assessed values, along with the fully phased-in 2023 values, for the District are as shown in Table VII-J on the following page.

## TABLE VII-J
## Current Market and Assessed Values

| Owner | Property Address | Reassessment Date | Base Value[(a)] | Acres[(b)] | Account Identifier[(b)] | Taxable Assessed Value As of[(b)] July 1, 2023 | July 1, 2024 | July 1, 2025 |
|---|---|---|---|---|---|---|---|---|
| ***Existing Development Parcels*** | | | | | | | | |
| Annapolis Galaxy DE LLC/Annapolis Highland DE LLC | 10125 Junction Drive | January 1, 2023 | $89,960,000 | 7.434 | 06-403344 | $106,378,433 | $110,415,067 | $120,642,600 |
| Annapolis Junction Town Center LLC | 10150 Junction Drive | January 1, 2023 | $931,100 | 2.394 | 06-595981 | $969,967 | $1,008,833 | $1,047,700 |
| Junction Crossing LLC | 10170 Junction Drive | January 1, 2023 | $19,604,300 | 3.385 | 06-403085 | $18,615,500 | $18,615,500 | $18,615,500 |
| Maryland Department of Transportation[(c)] | 9009 Dorsey Run Road | January 1, 2023 | $0 | 3.423 | 06-583784 | $0 | $0 | $0 |
| Sub-total existing development | | | $110,495,400 | 16.637 | | $125,963,900 | $130,039,400 | $140,305,800 |
| ***Future Development Parcels*** | | | | | | | | |
| Annapolis Junction Town Center LLC | Junction Drive | January 1, 2023 | $978,600 | 2.496 | 06-595982 | $938,700 | $978,600 | $978,600 |
| Sub-total to be developed parcels | | | $978,600 | 2.496 | | $938,700 | $978,600 | $978,600 |
| ***Undeveloped or lightly developed parcels*** | | | | | | | | |
| Annapolis Junction Town Center LLC | Dorsey Run Road | January 1, 2023 | $36,500 | 0.073 | 06-595983 | $36,500 | $36,500 | $36,500 |
| Sub-total projected development parcels | | | $36,500 | 0.073 | | $36,500 | $36,500 | $36,500 |
| Total | | | $111,510,500 | 19.206 | | $126,939,100 | $131,054,500 | $141,320,900 |

[(a)]Base value represents fully phased-in value of tax year beginning July 1, 2022. Source: SDAT.

[(b)]Source: SDAT. Acreages based on SDAT aggregate may be different than disclosed elsewhere.

[(c)]While fully phased-in assessed value is $20,333,700, this amount is exempt from taxation, thus not included in table.

## PROJECTED MARKET AND ASSESSED VALUES

Based on the values as outlined in Tables VII-I, the total projected assessed value for the Development at stabilization is shown in Table VII-K and L on the following pages. Detailed calculations of values on an annual basis are provided in the attached Appendices A, B, and C through bond year 2044.

**TABLE VII-K**

**Projected Assessed Value at Stabilization (Current Dollars) – Scenarios A & C**

| Property Type | Area[a] Gross SF | Units | GSF per Unit | Spaces | Market Value[b] Per Unit | Per SF | Total Market Value | Year Completed |
|---|---|---|---|---|---|---|---|---|
| Parcel B: | | | | | | | | |
| Residential Structure | 530,441 | 416 | 1,275 | - | $290,006 | $227 | $120,642,600.00 | 2017 |
| Garage[c] | 231,000 | - | - | 624 | - | - | - | 2017 |
| Sub-total Parcel B | 530,441 | 416 | - | - | - | - | $120,642,600.00 | |
| Sub-total Parcel B (including garage) | 761,441 | 416 | - | 624 | - | - | $120,642,600.00 | |
| | | | | | | | | |
| Parcel E: | | | | | | | | |
| Retail Structure | 5,420 | - | - | - | - | $193 | $1,047,700.00 | 2017 |
| | | | | | | | | |
| Parcel K: | | | | | | | | |
| Office Structure | 101,200 | - | - | - | - | $184 | $18,615,500.00 | 2017 |
| Commercial Garage Structure[c] | 184,200 | - | - | 575 | - | - | - | 2017 |
| Sub-total Parcel K | 101,200 | - | - | - | - | - | $18,615,500.00 | |
| Sub-total Parcel K (including garage) | 285,400 | - | - | 575 | - | - | $18,615,500.00 | |
| | | | | | | | | |
| Parcel A: | | | | | | | | |
| Commuter Parking Garage[d] | 260,400 | - | - | 704 | - | - | $0.00 | 2015 |
| Total Existing Development | 637,061 | 416 | - | - | - | - | $140,305,800.00 | |
| Total Existing Development (including garages) | 1,312,661 | 416 | - | 1,903 | - | - | $140,305,800.00 | |

[a]Represents existing development based on information provided by Administrator in *Developer's Quarterly Continuing Disclosure Statement for Period Ending March 31, 2024.*

[b]See Appendix D. Represents projected market value at stabilization.

[c]Value of garages are included in projected value of associated apartment and office buildings.

[d]While fully phased-in assessed value is $20,333,700, this amount is exempt from taxation, thus not included in table.

## TABLE VII-L
## Projected Assessed Value at Stabilization (Current Dollars) – Scenario B

| Property Type | Property Area | | | | | Market Value[a] | | | Total Market Value | Year Completed |
|---|---|---|---|---|---|---|---|---|---|---|
| | Gross SF | Units | GSF per Unit | Spaces | Rooms | Per Unit | Per SF | Per Room | | |
| ***Existing Development***[b] | | | | | | | | | | |
| Parcel B: | | | | | | | | | | |
| Residential Structure | 530,441 | 416 | 1,275 | - | - | $290,006 | $227 | - | $120,642,600 | 2017 |
| Garage[c] | 231,000 | - | - | 624 | - | - | - | - | - | 2017 |
| Sub-total Parcel B | 530,441 | 416 | - | - | - | - | - | - | $120,642,600 | |
| Sub-total Parcel B (including garage) | 761,441 | 416 | - | 624 | - | - | - | - | $120,642,600 | |
| Parcel E: | | | | | | | | | | |
| Retail Structure | 5,420 | - | - | - | - | - | $193 | - | $1,047,700 | 2017 |
| Parcel K: | | | | | | | | | | |
| Office Structure | 101,200 | - | - | - | - | - | $184 | - | $18,615,500 | 2017 |
| Commercial Garage Structure[c] | 184,200 | - | - | 575 | - | - | - | - | - | 2017 |
| Sub-total Parcel K | 101,200 | - | - | - | - | - | - | - | $18,615,500 | |
| Sub-total Parcel K (including garage) | 285,400 | - | - | 575 | - | - | - | - | $18,615,500 | |
| Parcel A: | | | | | | | | | | |
| Commuter Parking Garage | 260,400 | - | - | 704 | - | - | | | 0 | 2015 |
| Total Existing Development | 637,061 | 416 | - | - | - | - | - | - | $140,305,800 | |
| Total Existing Development (including garages) | 1,312,661 | 416 | - | 1,903 | - | - | - | - | $140,305,800 | |
| ***Future Development***[e] | | | | | | | | | | |
| Parcel J: | | | | | | | | | | |
| Future Apartments | 244,438 | 300 | 815 | - | - | $290,006 | $355.93 | - | $87,001,875 | 2027 |
| Future Retail | 7,729 | - | - | - | - | - | $193.30 | - | $1,494,036 | 2027 |
| Future Hotel | 62,030 | - | - | - | 110 | - | $189.57 | $106,898 | $11,758,780 | 2027 |
| Future Amenity Space[f] | 85,241 | - | - | - | - | - | - | - | - | 2027 |
| Future Garage[g] | 188,581 | - | - | 376 | - | - | - | - | - | 2027 |
| Total Future Development | 399,438 | 300 | - | - | 110 | - | - | - | $100,254,691 | |
| Total Future Development (including garage) | 588,019 | 300 | - | 376 | 110 | - | - | - | $100,254,691 | |
| Total Development | 1,036,499 | 716 | - | - | 110 | - | - | - | $240,560,491 | |
| Total Development (including garages) | 1,900,680 | 716 | - | 2,279 | 110 | - | - | - | $240,560,491 | |

[a]See Appendix D. Represents the projected market value at stabilization.

[b]Represents existing development based on information provided by Administrator in *Developer's Quarterly Continuing Disclosure Statement for Period Ending March 31, 2024.*

[c]Value of garages are included in projected value of associated apartment and office buildings.

[d]While fully phased-in assessed value is $20,333,700, this amount is exempt from taxation, thus not included in table.

[e]Represents projected Future Development based on information provided by Developer. According to Developer, anticipated delivery of Future Development is three to five years, contingent on Developer obtaining favorable financing terms. Projections herein assume two-year construction schedule, commencing in 2025, with delivery in 2027.

[f]Value of amenity space is included in projected value of apartment units.

[g]Value of garage is included in projected value of apartment units and hotel rooms.

## POTENTIAL INCREMENTAL ASSESSED VALUE

As described in Section III of this report, the State of Maryland mandates that property must be assessed at 100% of its full cash value. Projected incremental assessed value coinciding with the bond year ending February 15, 2044 (the year of projected maximum annual debt service) is shown in Table VII-M.[33]

**TABLE VII-M**
**Projected Assessed Values – Annapolis Junction Town Center Development District**

| Scenario | Projected Value[(a)] | Base Value[(b)] | Incremental Value |
|---|---|---|---|
| Scenario A | $201,406,332 | ($1,608,000) | $199,798,332 |
| Scenario B | $338,790,947 | ($1,608,000) | $337,182,947 |
| Scenario C | $141,320,900 | ($1,608,000) | $139,712,900 |

[(a)]Based on projected assessed value as of January 1, 2043, for tax year beginning July 1, 2043, payable towards debt service in the bond year ending February 15, 2044.
[(b)]Represents the certified base value as certified by SDAT.

Detailed calculations of incremental values on an annual basis are provided in the accompanying Appendices A, B and C.

[33] Projected assessed values in Table VII-N include residual land value not included in Tables VII-L and VII-M.

# VIII. PROJECTION OF TAX INCREMENT REVENUE

## BACKGROUND INFORMATION

The incremental property value created within the Development District will produce incremental revenue in the form of additional real property taxes. In accordance with Maryland statute, Tax Increment Revenues are calculated by subtracting the base value from the new total assessed value to get the net "incremental value," which is then multiplied by the applicable tax rate. Currently, the tax rate for the County is $1.014 per $100 assessed value, as described in Section III of this report.

## CALCULATION OF TAX INCREMENT REVENUES

The aggregate base value for properties located within the Development District is $1,608,000. At maximum annual debt service, the property in the Development District is estimated to have an assessed value of $201,406,332 under Scenario A using an assumed appreciation rate of two percent per year; therefore, incremental value is estimated to be $199,798,332. Under Scenario B, also using an assumed appreciation rate of 2 percent per year and accounting for future development, the property in the Development District is estimated to have an assessed value of $338,790,947 at maximum annual debt service; therefore, incremental value is estimated to be $337,182,947. Assuming no appreciation, the estimated assessed value at maximum annual debt service for Scenario C is $141,320,900, leading to an increment of $139,712,900.

Total projected Tax Increment Revenues are as shown in the below calculations. Refer to Appendices A and B for detailed calculations of projected Tax Increment Revenues.

*(Incremental Assessed Value) ÷ 100 × (Tax Rate) × = Tax Increment Revenues*

*Scenario A*:
$199,798,332 ÷ 100 × $1.014 = $2,025,955

*Scenario B*:
$337,182,947 ÷ 100 × $1.014 = $3,419,035

*Scenario C*:
$139,712,900 ÷ 100 × $1.014 = $1,416,689

However, it is assumed that buildings will receive a .5% tax payment discount annually, which slightly decreases tax increment revenues. It is assumed that 100% of taxes will be collected. This leads to projections of Tax Increment Revenue as shown in Table VIII-A.

## RESULTS

Section III of this report describes various exemptions and credits that are available to certain properties within the County. For the purposes of this report, no such credits are assumed to pertain to the property within the Development District as set forth in Section III. Therefore, total estimated Tax Increment Revenues at full build-out are as shown below in Table VIII-A.

**TABLE VIII-A**
**Projected Tax Increment Revenues – Annapolis Junction Town Center Development District**

| | Bond Year February 15, 2044 |
|---|---|
| *Scenario A - Existing Development* | |
| Gross increment | $2,025,955 |
| Tax payment discount | ($10,130) |
| Collection rate | 99.5% |
| Net increment | $2,015,825 |
| | |
| *Scenario B - Future Development* | |
| Gross increment | $3,419,035 |
| Tax payment discount | ($17,095) |
| Collection rate | 99.50% |
| Net increment | $3,401,940 |
| | |
| *Scenario C - Existing Development - No Appreciation* | |
| Gross increment | $1,416,689 |
| Tax payment discount | ($7,083) |
| Collection rate | 99.50% |
| Net increment | $1,409,605 |

# IX. PROJECTED SPECIAL TAXES

## LEVY OF SPECIAL TAXES

In the event that Tax Increment Revenues from the Development District are insufficient for the payment of debt service on the 2024 Bonds and the cost of administering the Development District, Special Taxes will be levied upon property within the corresponding Special Taxing District. Special Taxes are calculated, levied, and apportioned in accordance with the terms set forth in the applicable Rate and Method of Apportionment (each, a "RMA") for each Special Taxing District.[34]

Generally, the Special Taxes are imposed on and allocated among parcels of Taxable Property within the Special Taxing District according to the terms and methodology set forth in the RMA. No parcel is obligated to pay Special Taxes in excess of the amount allocated to the parcel. The Maximum Special Tax that can be levied upon a parcel is set forth in the RMA.

Table IX-A shows the projected cumulative Special Taxes Revenues to be collected through maturity of the 2024 Bonds under each scenario.

**TABLE IX-A**
**Total Projected Special Taxes**

| Scenario | 2024 Bonds Projected Special Taxes[a] |
|---|---|
| Scenario A | $0 |
| Scenario B | $0 |
| Scenario C | $669,360 |

[a]See Appendices A-6, B-8, and C-2.

Refer to Appendices A, B, and C, attached hereto, for detailed projections of District Tax Revenues and debt service coverage on an annual basis under Scenarios A, B, and C, respectively.

[34] Refer to the Official Statement for terms of the RMA. Capitalized terms in this section not defined elsewhere in this document are as defined in the RMA.

# X. PROJECTED DEBT SERVICE COVERAGE

## OVERVIEW

The total principal amount of the 2024 Bonds is $15,640,000, resulting in $1,527,250 of scheduled debt service in the bond year ending February 15, 2044 (the year of scheduled maximum annual debt service). Including projected Administrative Expenses, projected net annual debt service in that same year is $1,607,347. Coverage tables herein reflect net debt service.[35]

**Scenario A** – Tax Increment Revenues are projected to be sufficient to pay scheduled debt service in full on the 2024 Bonds in every year through maturity, with projected coverage ranging from 118.70% to 132.08%. This information is summarized in Table X-A.

**Scenario B** – Tax Increment Revenues are projected to be sufficient to pay scheduled debt service in full on the 2024 Bonds in every year through maturity, with projected coverage ranging from 118.70% to 220.07%. This information is summarized in Table X-B.

**Scenario C** – Tax increment Revenues are projected to be sufficient to pay scheduled debt service in full through February 15, 2039, with projected coverage ranging from 102.68% to 132.08%. Tax Increment Revenues are projected to be insufficient to pay scheduled debt service in full for the bond years ending February 14, 2040, through the bond year ending February 15, 2044, which is the scheduled maturity date of the 2024 Bonds. In these years, projected coverage ranges from 87.70% to 99.97%; Special Tax Revenues are projected to be necessary to pay debt service in full. This information is summarized in Table X-C.

[35] Based on projections of debt service provided by Mesirow Financial Inc. Net annual debt service includes gross scheduled debt service plus projected administrative expenses.

## TABLE X-A

## Projected Debt Service Coverage – Scenario A (Existing Development – 2% Appreciation)

| Tax Year Beginning | Bond Year Ending | Net Annual Debt Service[a] | Real Property Tax Increment Revenues[b] | Surplus/ (Deficit) | Projected Special Tax Revenues | Net Surplus/ (Deficit) | Cumulative Surplus | Debt Service Coverage Incremental Revenues | Debt Service Coverage Total Revenues |
|---|---|---|---|---|---|---|---|---|---|
| 1-Jul-24 | 15-Feb-25 | $1,100,267 | $1,306,025 | $205,758 | $0 | $205,758 | $205,758 | 118.70% | 118.70% |
| 1-Jul-25 | 15-Feb-26 | $1,067,250 | $1,409,605 | $342,355 | $0 | $342,355 | $342,355 | 132.08% | 132.08% |
| 1-Jul-26 | 15-Feb-27 | $1,093,600 | $1,437,917 | $344,317 | $0 | $344,317 | $686,672 | 131.48% | 131.48% |
| 1-Jul-27 | 15-Feb-28 | $1,117,962 | $1,466,795 | $348,833 | $0 | $348,833 | $1,035,506 | 131.20% | 131.20% |
| 1-Jul-28 | 15-Feb-29 | $1,145,336 | $1,496,251 | $350,915 | $0 | $350,915 | $1,386,420 | 130.64% | 130.64% |
| 1-Jul-29 | 15-Feb-30 | $1,170,473 | $1,526,295 | $355,822 | $0 | $355,822 | $1,742,242 | 130.40% | 130.40% |
| 1-Jul-30 | 15-Feb-31 | $1,203,372 | $1,556,941 | $353,569 | $0 | $353,569 | $2,095,811 | 129.38% | 129.38% |
| 1-Jul-31 | 15-Feb-32 | $1,228,534 | $1,588,199 | $359,665 | $0 | $359,665 | $2,455,477 | 129.28% | 129.28% |
| 1-Jul-32 | 15-Feb-33 | $1,256,210 | $1,620,083 | $363,873 | $0 | $363,873 | $2,819,349 | 128.97% | 128.97% |
| 1-Jul-33 | 15-Feb-34 | $1,286,149 | $1,652,604 | $366,455 | $0 | $366,455 | $3,185,805 | 128.49% | 128.49% |
| 1-Jul-34 | 15-Feb-35 | $1,313,102 | $1,685,776 | $372,674 | $0 | $372,674 | $3,558,479 | 128.38% | 128.38% |
| 1-Jul-35 | 15-Feb-36 | $1,342,069 | $1,719,611 | $377,542 | $0 | $377,542 | $3,936,021 | 128.13% | 128.13% |
| 1-Jul-36 | 15-Feb-37 | $1,372,800 | $1,754,123 | $381,323 | $0 | $381,323 | $4,317,344 | 127.78% | 127.78% |
| 1-Jul-37 | 15-Feb-38 | $1,410,046 | $1,789,325 | $379,279 | $0 | $379,279 | $4,696,623 | 126.90% | 126.90% |
| 1-Jul-38 | 15-Feb-39 | $1,438,307 | $1,825,231 | $386,924 | $0 | $386,924 | $5,083,547 | 126.90% | 126.90% |
| 1-Jul-39 | 15-Feb-40 | $1,472,833 | $1,861,855 | $389,022 | $0 | $389,022 | $5,472,569 | 126.41% | 126.41% |
| 1-Jul-40 | 15-Feb-41 | $1,503,125 | $1,899,212 | $396,087 | $0 | $396,087 | $5,868,656 | 126.35% | 126.35% |
| 1-Jul-41 | 15-Feb-42 | $1,534,183 | $1,937,316 | $403,133 | $0 | $403,133 | $6,271,790 | 126.28% | 126.28% |
| 1-Jul-42 | 15-Feb-43 | $1,570,757 | $1,976,182 | $405,425 | $0 | $405,425 | $6,677,215 | 125.81% | 125.81% |
| 1-Jul-43 | 15-Feb-44 | $1,607,347 | $2,015,825 | $408,478 | $0 | $408,478 | $7,085,693 | 125.41% | 125.41% |
| Total | | $26,233,722 | $33,525,172 | $7,291,451 | $0 | $7,291,451 | | | |

[a]Source: Mesirow Financial Inc. Net annual debt service includes gross scheduled debt service plus projected administrative expenses.

[b]See Appendix A-V.

## TABLE X-B
## Projected Debt Service Coverage– Scenario B (Future Development – 2% Appreciation)

| Tax Year Beginning | Bond Year Ending | Net Annual Debt Service[a] | Real Property Tax Increment Revenues[b] | Surplus/ (Deficit) | Projected Special Tax Revenues | Net Surplus/ (Deficit) | Cumulative Surplus | Debt Service Coverage Incremental Revenues | Debt Service Coverage Total Revenues |
|---|---|---|---|---|---|---|---|---|---|
| 1-Jan-24 | 15-Feb-25 | $1,100,267 | $1,306,025 | $205,758 | $0 | $205,758 | $205,758 | 118.70% | 118.70% |
| 1-Jan-25 | 15-Feb-26 | $1,067,250 | $1,409,605 | $342,355 | $0 | $342,355 | $342,355 | 132.08% | 132.08% |
| 1-Jan-26 | 15-Feb-27 | $1,093,600 | $1,428,044 | $334,444 | $0 | $334,444 | $676,799 | 130.58% | 130.58% |
| 1-Jan-27 | 15-Feb-28 | $1,117,962 | $1,456,922 | $338,960 | $0 | $338,960 | $1,015,759 | 130.32% | 130.32% |
| 1-Jan-28 | 15-Feb-29 | $1,145,336 | $2,520,542 | $1,375,206 | $0 | $1,375,206 | $2,390,965 | 220.07% | 220.07% |
| 1-Jan-29 | 15-Feb-30 | $1,170,473 | $2,572,717 | $1,402,244 | $0 | $1,402,244 | $3,793,208 | 219.80% | 219.80% |
| 1-Jan-30 | 15-Feb-31 | $1,203,372 | $2,625,549 | $1,422,177 | $0 | $1,422,177 | $5,215,386 | 218.18% | 218.18% |
| 1-Jan-31 | 15-Feb-32 | $1,228,534 | $2,679,053 | $1,450,519 | $0 | $1,450,519 | $6,665,905 | 218.07% | 218.07% |
| 1-Jan-32 | 15-Feb-33 | $1,256,210 | $2,732,951 | $1,476,741 | $0 | $1,476,741 | $8,142,646 | 217.56% | 217.56% |
| 1-Jan-33 | 15-Feb-34 | $1,286,149 | $2,787,927 | $1,501,778 | $0 | $1,501,778 | $9,644,424 | 216.77% | 216.77% |
| 1-Jan-34 | 15-Feb-35 | $1,313,102 | $2,844,003 | $1,530,901 | $0 | $1,530,901 | $11,175,325 | 216.59% | 216.59% |
| 1-Jan-35 | 15-Feb-36 | $1,342,069 | $2,901,200 | $1,559,131 | $0 | $1,559,131 | $12,734,456 | 216.17% | 216.17% |
| 1-Jan-36 | 15-Feb-37 | $1,372,800 | $2,959,541 | $1,586,741 | $0 | $1,586,741 | $14,321,197 | 215.58% | 215.58% |
| 1-Jan-37 | 15-Feb-38 | $1,410,046 | $3,019,049 | $1,609,003 | $0 | $1,609,003 | $15,930,200 | 214.11% | 214.11% |
| 1-Jan-38 | 15-Feb-39 | $1,438,307 | $3,079,747 | $1,641,440 | $0 | $1,641,440 | $17,571,640 | 214.12% | 214.12% |
| 1-Jan-39 | 15-Feb-40 | $1,472,833 | $3,141,659 | $1,668,826 | $0 | $1,668,826 | $19,240,466 | 213.31% | 213.31% |
| 1-Jan-40 | 15-Feb-41 | $1,503,125 | $3,204,809 | $1,701,684 | $0 | $1,701,684 | $20,942,151 | 213.21% | 213.21% |
| 1-Jan-41 | 15-Feb-42 | $1,534,183 | $3,269,223 | $1,735,040 | $0 | $1,735,040 | $22,677,190 | 213.09% | 213.09% |
| 1-Jan-42 | 15-Feb-43 | $1,570,757 | $3,334,924 | $1,764,167 | $0 | $1,764,167 | $24,441,358 | 212.31% | 212.31% |
| 1-Jan-43 | 15-Feb-44 | $1,607,347 | $3,401,940 | $1,794,593 | $0 | $1,794,593 | $26,235,951 | 211.65% | 211.65% |
| Total | | $26,233,722 | $52,675,430 | $26,441,708 | $0 | $26,441,708 | | | |

[a]Source: Mesirow Financial Inc. Net annual debt service includes gross scheduled debt service plus projected administrative expenses.

[b]See Appendix B-VII.

## TABLE X-C
## Projected Debt Service Coverage – Scenario C (Existing Development – No Appreciation)

| Tax Year Beginning | Bond Year Ending | Net Annual Debt Service[a] | Real Property Tax Increment Revenues[b] | Surplus/ (Deficit) | Projected Special Tax Revenues | Net Surplus/ (Deficit) | Cumulative Surplus | Debt Service Coverage Incremental Revenues | Debt Service Coverage Total Revenues |
|---|---|---|---|---|---|---|---|---|---|
| 1-Jan-24 | 15-Feb-25 | $1,100,267 | $1,306,025 | $205,758 | $0 | $205,758 | $205,758 | 118.70% | 118.70% |
| 1-Jan-25 | 15-Feb-26 | $1,067,250 | $1,409,605 | $342,355 | $0 | $342,355 | $342,355 | 132.08% | 132.08% |
| 1-Jan-26 | 15-Feb-27 | $1,093,600 | $1,409,605 | $316,005 | $0 | $316,005 | $658,361 | 128.90% | 128.90% |
| 1-Jan-27 | 15-Feb-28 | $1,117,962 | $1,409,605 | $291,643 | $0 | $291,643 | $950,004 | 126.09% | 126.09% |
| 1-Jan-28 | 15-Feb-29 | $1,145,336 | $1,409,605 | $264,269 | $0 | $264,269 | $1,214,273 | 123.07% | 123.07% |
| 1-Jan-29 | 15-Feb-30 | $1,170,473 | $1,409,605 | $239,132 | $0 | $239,132 | $1,453,406 | 120.43% | 120.43% |
| 1-Jan-30 | 15-Feb-31 | $1,203,372 | $1,409,605 | $206,233 | $0 | $206,233 | $1,659,639 | 117.14% | 117.14% |
| 1-Jan-31 | 15-Feb-32 | $1,228,534 | $1,409,605 | $181,071 | $0 | $181,071 | $1,840,711 | 114.74% | 114.74% |
| 1-Jan-32 | 15-Feb-33 | $1,256,210 | $1,409,605 | $153,395 | $0 | $153,395 | $1,994,106 | 112.21% | 112.21% |
| 1-Jan-33 | 15-Feb-34 | $1,286,149 | $1,409,605 | $123,456 | $0 | $123,456 | $2,117,562 | 109.60% | 109.60% |
| 1-Jan-34 | 15-Feb-35 | $1,313,102 | $1,409,605 | $96,503 | $0 | $96,503 | $2,214,066 | 107.35% | 107.35% |
| 1-Jan-35 | 15-Feb-36 | $1,342,069 | $1,409,605 | $67,536 | $0 | $67,536 | $2,281,602 | 105.03% | 105.03% |
| 1-Jan-36 | 15-Feb-37 | $1,372,800 | $1,409,605 | $36,805 | $0 | $36,805 | $2,318,407 | 102.68% | 102.68% |
| 1-Jan-37 | 15-Feb-38 | $1,410,046 | $1,409,605 | ($441) | $441 | $0 | $2,318,407 | 99.97% | 100.00% |
| 1-Jan-38 | 15-Feb-39 | $1,438,307 | $1,409,605 | ($28,702) | $28,702 | $0 | $2,318,407 | 98.00% | 100.00% |
| 1-Jan-39 | 15-Feb-40 | $1,472,833 | $1,409,605 | ($63,228) | $63,228 | $0 | $2,318,407 | 95.71% | 100.00% |
| 1-Jan-40 | 15-Feb-41 | $1,503,125 | $1,409,605 | ($93,520) | $93,520 | $0 | $2,318,407 | 93.78% | 100.00% |
| 1-Jan-41 | 15-Feb-42 | $1,534,183 | $1,409,605 | ($124,578) | $124,578 | $0 | $2,318,407 | 91.88% | 100.00% |
| 1-Jan-42 | 15-Feb-43 | $1,570,757 | $1,409,605 | ($161,152) | $161,152 | $0 | $2,318,407 | 89.74% | 100.00% |
| 1-Jan-43 | 15-Feb-44 | $1,607,347 | $1,409,605 | ($197,742) | $197,742 | $0 | $2,318,407 | 87.70% | 100.00% |
| Total | | $26,233,722 | $28,088,526 | $1,854,805 | $669,360 | $2,524,165 | | | |

[a]Source: Mesirow Financial Inc. Net annual debt service includes gross scheduled debt service plus projected administrative expenses.
[b]See Appendix C-I.

# XI. Assumptions & Limitations

The valuation of property for real property tax purposes is determined by SDAT. This report attempts to estimate how SDAT will value the subject properties in the future. SDAT's actual assessed values will likely differ from the estimates included in this report. Values can change significantly over time and from year to year. Determining property values for tax purposes is not as straightforward as the analysis in this report.

SDAT often relies on market data to estimate the value of property. Property values can be appealed, competition can increase, national or local market conditions can change; in short, there are many factors that can affect the valuation of property. These factors make the projection of future values an imprecise exercise.

This report assumes property taxes will be remitted in a timely fashion. This study does not include an analysis to determine if the owners of property within the District will be able or willing to pay property taxes or if the tax collector will be able to collect unpaid taxes. The actual delinquencies in the payment of real property taxes in the District will likely be different than delinquencies assumed in this report. A significant increase in the failure to pay property taxes would materially affect the Tax Increment Revenues available for debt service on the bonds.

This report estimates future Tax Increment Revenues based on current real property tax rates. Scenarios included herein do not assume real property tax rates in the future will be different than tax rates for tax year 2024-2025. Real property tax rates have varied over the years and have declined in some years. Real property tax rates will likely vary in future years from the rate assumed in this report. A significant decrease in real property tax rates could materially affect the Tax Increment Revenues available for repayment of debt service on the bonds.

This report includes projections of Tax Increment Revenues based on two percent annual appreciation for real property values in Scenario A and Scenario B. Changes in values will not be consistent from year to year. Future values are estimated based on values in 2024, and values may decrease from 2024 levels.

This report assumes that the subject properties will be developed as projected in this report. A delay in the development of properties or changes to the program of development could reduce Tax Increment Revenues and cause Tax Increment Revenues to be inadequate to pay debt service on the bonds. No analysis has been conducted to determine if the subject properties are likely to be developed as projected. The successful development and operation of the subject properties is critical to the values estimated in the report.

The Official Statement includes additional information on the proposed Development, as well as information regarding the District, the collection of property taxes, and other matters relevant to this report, including risk factors related to the bonds. This report should be reviewed in conjunction with the  Official Statement, and all relevant information therein applies to this report.

The RMA and associated Special Tax Report include additional information on the potential Special Taxes within the Special Taxing District. This report should be reviewed in conjunction with those documents, and all relevant information therein applies to this report.

Numerous sources of information were relied on in the preparation of this report. These sources are believed to be reliable; however, MuniCap has made no effort to verify information obtained from other sources.

In summary, this report necessarily incorporates numerous estimates and assumptions with respect to property performance, general and local business and economic conditions, the competitive environment, and other matters. Some estimates or assumptions will likely not materialize; unanticipated events and circumstance may occur. As a result, actual results will likely vary from the estimates in this report, and the variations may be material.

Other assumptions made in the preparation of this report and limiting conditions to this report are as follows:

1. There are no zoning, building, safety, environmental or other federal, state, or local laws, regulations, or codes that would prohibit or impair the development, marketing or operation of the subject properties in the manner contemplated in this report, and the subject properties will be developed, marketed and operated in compliance with all applicable laws, regulations, and codes.

2. No material changes will occur in (a) any federal, state or local law, regulation or code affecting the subject properties or (b) any federal, state or local grant, financing or other program to be utilized in connection with the subject properties.

3. The local, national and international economies will not deteriorate and there will be no significant changes in interest rates or in rates of inflation or deflation.

4. The subject properties will be served by adequate transportation, utilities and governmental facilities.

5. The subject properties will not be subjected to any war, energy crises, embargo, strike, earthquake, flood, fire or other casualty or act of God.

6. The subject properties will be developed, marketed, and operated in a highly professional manner.

7. There are no existing, impending or threatened litigation that could hinder the development, marketing, or operation of the subject properties.

8. MuniCap, Inc. does not have expertise in and has no responsibility for legal, environmental, architectural, geologic, engineering, and other matters related to the development and operation of the subject properties.

## ADDENDUM A: COSTAR REALTY INFORMATION, INC. DISCLAIMER

The modeling, calculations, forecasts, projections, evaluations, analyses, simulations, or other forward-looking information prepared by CoStar ("CoStar") and presented herein (the "CoStar Materials") are based on various assumptions concerning future events and circumstances, all of which are uncertain and subject to change without notice. Actual results and events may differ materially from the projections presented. All CoStar Materials speak only as of the date referenced with respect to such data and may have changed since such date, which changes may be material. You should not construe any of the CoStar Materials as investment, tax, accounting, or legal advice.

CoStar does not purport that the CoStar Materials herein are comprehensive, and, while they are believed to be accurate, the CoStar Materials are not guaranteed to be free from error, omission or misstatement. CoStar has no obligation to update any of the CoStar Materials included in this document. Any user of any such CoStar Materials accepts them "AS IS" WITHOUT ANY WARRANTIES WHATSOEVER, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, NONINFRINGEMENT, TITLE, AND FITNESS FOR ANY PARTICULAR PURPOSE. UNDER NO CIRCUMSTANCES SHALL COSTAR OR ANY OF ITS AFFILIATES, OR ANY OF THEIR DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS, BE LIABLE FOR ANY INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES WHATSOEVER ARISING OUT OF THE COSTAR MATERIALS, EVEN IF COSTAR OR ANY OF ITS AFFILIATES HAS BEEN ADVISED AS TO THE POSSIBILITY OF SUCH DAMAGES.

The CoStar Materials do not purport to contain all the information that may be required to evaluate the business and prospects of the Annapolis Junction Town Center or any purchase or sale of the 2024 Bonds. Any potential investor should conduct his, her or its own independent investigation and analysis of the merits and risks of an investment in the 2024 Bonds. CoStar does not sponsor, endorse, offer, or promote an investment in the 2024 Bonds. The user of any such CoStar Materials accepts full responsibility for his, her or its own investment decisions and for the consequences of those decisions.

# Annapolis Junction Town Center
# Howard County, Maryland

## APPENDICES

**Prepared By:**

MuniCap, Inc.
Public Finance

**June 19, 2024**

# Annapolis Junction Town Center
# Howard County, Maryland

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# Annapolis Junction Town Center
# Howard County, Maryland

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# Annapolis Junction Town Center
# Howard County, Maryland

## APPENDIX A

**Base Scenario**
**Existing Development Only**
**Assumes 2% Annual Appreciation**

*Annapolis Junction Town Center*
*Howard County, Maryland*
*Scenario A*

## Appendix A-I: Development Summary - Existing Development

| Property Type | Area[a] Gross SF | Area[a] Units | Area[a] GSF per Unit | Area[a] Spaces | Market Value[b] Per Unit | Market Value[b] Per SF | Total Market Value | Year Completed |
|---|---|---|---|---|---|---|---|---|
| Parcel B: | | | | | | | | |
| Residential Structure | 530,441 | 416 | 1,275 | - | $290,006 | $227.44 | $120,642,600 | 2017 |
| Garage[c] | 231,000 | - | - | 624 | - | - | - | 2017 |
| Sub-total Parcel B | 530,441 | 416 | - | - | - | - | $120,642,600 | |
| Sub-total Parcel B (including garage) | 761,441 | 416 | - | 624 | - | - | $120,642,600 | |
| Parcel E: | | | | | | | | |
| Retail Structure | 5,420 | - | - | - | - | $193.30 | $1,047,700 | 2017 |
| Parcel K: | | | | | | | | |
| Office Structure | 101,200 | - | - | - | - | $183.95 | $18,615,500 | 2017 |
| Commercial Garage Structure[c] | 184,200 | - | - | 575 | - | - | - | 2017 |
| Sub-total Parcel K | 101,200 | - | - | - | - | - | $18,615,500 | |
| Sub-total Parcel K (including garage) | 285,400 | - | - | 575 | - | - | $18,615,500 | |
| Parcel A: | | | | | | | | |
| Commuter Parking Garage[d] | 260,400 | - | - | 704 | - | - | $0 | 2015 |
| Total Existing Development | 637,061 | 416 | - | - | - | - | $140,305,800 | |
| Total Existing Development (including garage: | 1,312,661 | 416 | - | 1,903 | - | - | $140,305,800 | |

*MuniCap, Inc.* *19-Jun-24*

[a]Represents existing development based on information provided by Administrator in *Developer's Quarterly Continuing Disclosure Statement for Period Ending March 31, 2024.*
[b]See Appendix D. Represents projected market value at stabilization.
[c]Value of garages are included in projected value of associated apartment and office buildings.
[d]While fully phased-in assessed value is $20,333,700, this amount is exempt from taxation, thus not included in projections.

# Annapolis Junction Town Center
# Howard County, Maryland

## APPENDIX A

**Base Scenario**
**Existing Development Only**
**Assumes 2% Annual Appreciation**

*Annapolis Junction Town Center*
*Howard County, Maryland*
*Scenario A*

Appendix A-II: Projected Assessed Value - Existing Development

| Assessed As Of Date | Tax Year Beginning | Bond Year Ending | Appreciation Factor[a] | Parcel B - Residential Structure: Units[b] | Value Per Unit[b] | Phase-In Percentage | Phased-In Value Per Unit[c] | Projected Assessed Value | Parcel E - Retail Structure: GSF[b] | Value Per GSF[b] | Phase-In Percentage | Phased-In Value Per GSF[c] | Projected Assessed Value |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1-Jan-24 | 1-Jul-24 | 15-Feb-25 | 100% | 416 | $290,006 | 92% | $265,421 | $110,415,067 | 5,420 | $193 | 96% | $186 | $1,008,833 |
| 1-Jan-25 | 1-Jul-25 | 15-Feb-26 | 100% | 416 | $290,006 | 100% | $290,006 | $120,642,600 | 5,420 | $193 | 100% | $193 | $1,047,700 |
| 1-Jan-26 | 1-Jul-26 | 15-Feb-27 | 102% | 416 | $295,806 | 100% | $295,806 | $123,055,452 | 5,420 | $197 | 100% | $197 | $1,068,654 |
| 1-Jan-27 | 1-Jul-27 | 15-Feb-28 | 104% | 416 | $301,723 | 100% | $301,723 | $125,516,561 | 5,420 | $201 | 100% | $201 | $1,090,027 |
| 1-Jan-28 | 1-Jul-28 | 15-Feb-29 | 106% | 416 | $307,757 | 100% | $307,757 | $128,026,892 | 5,420 | $205 | 100% | $205 | $1,111,828 |
| 1-Jan-29 | 1-Jul-29 | 15-Feb-30 | 108% | 416 | $313,912 | 100% | $313,912 | $130,587,430 | 5,420 | $209 | 100% | $209 | $1,134,064 |
| 1-Jan-30 | 1-Jul-30 | 15-Feb-31 | 110% | 416 | $320,190 | 100% | $320,190 | $133,199,179 | 5,420 | $213 | 100% | $213 | $1,156,745 |
| 1-Jan-31 | 1-Jul-31 | 15-Feb-32 | 113% | 416 | $326,594 | 100% | $326,594 | $135,863,162 | 5,420 | $218 | 100% | $218 | $1,179,880 |
| 1-Jan-32 | 1-Jul-32 | 15-Feb-33 | 115% | 416 | $333,126 | 100% | $333,126 | $138,580,426 | 5,420 | $222 | 100% | $222 | $1,203,478 |
| 1-Jan-33 | 1-Jul-33 | 15-Feb-34 | 117% | 416 | $339,789 | 100% | $339,789 | $141,352,034 | 5,420 | $226 | 100% | $226 | $1,227,548 |
| 1-Jan-34 | 1-Jul-34 | 15-Feb-35 | 120% | 416 | $346,584 | 100% | $346,584 | $144,179,075 | 5,420 | $231 | 100% | $231 | $1,252,098 |
| 1-Jan-35 | 1-Jul-35 | 15-Feb-36 | 122% | 416 | $353,516 | 100% | $353,516 | $147,062,656 | 5,420 | $236 | 100% | $236 | $1,277,140 |
| 1-Jan-36 | 1-Jul-36 | 15-Feb-37 | 124% | 416 | $360,586 | 100% | $360,586 | $150,003,909 | 5,420 | $240 | 100% | $240 | $1,302,683 |
| 1-Jan-37 | 1-Jul-37 | 15-Feb-38 | 127% | 416 | $367,798 | 100% | $367,798 | $153,003,988 | 5,420 | $245 | 100% | $245 | $1,328,737 |
| 1-Jan-38 | 1-Jul-38 | 15-Feb-39 | 129% | 416 | $375,154 | 100% | $375,154 | $156,064,067 | 5,420 | $250 | 100% | $250 | $1,355,312 |
| 1-Jan-39 | 1-Jul-39 | 15-Feb-40 | 132% | 416 | $382,657 | 100% | $382,657 | $159,185,349 | 5,420 | $255 | 100% | $255 | $1,382,418 |
| 1-Jan-40 | 1-Jul-40 | 15-Feb-41 | 135% | 416 | $390,310 | 100% | $390,310 | $162,369,056 | 5,420 | $260 | 100% | $260 | $1,410,066 |
| 1-Jan-41 | 1-Jul-41 | 15-Feb-42 | 137% | 416 | $398,116 | 100% | $398,116 | $165,616,437 | 5,420 | $265 | 100% | $265 | $1,438,268 |
| 1-Jan-42 | 1-Jul-42 | 15-Feb-43 | 140% | 416 | $406,079 | 100% | $406,079 | $168,928,765 | 5,420 | $271 | 100% | $271 | $1,467,033 |
| 1-Jan-43 | 1-Jul-43 | 15-Feb-44 | 143% | 416 | $414,200 | 100% | $414,200 | $172,307,341 | 5,420 | $276 | 100% | $276 | $1,496,374 |



[a]Assumes an annual appreciation rate of 2%. Appreciation rate accounts for annual increasing assessed value, along with corresponding changes in real property tax rates and begins in the first year of reassessment.

[b]See Appendix A-I.

[c]According to Howard County Office of Maryland State Department of Assessments ("SDAT"), stabilization typically occurs one to three years following construction completion or upon the next property revaluation when sufficient income data is available. Next revaluations are expected to occur as of 2026, 2029, and 2032. Projections assume phase-in occurs through 2025 based on SDAT data. Values as of 2024 based on information provided by SDAT.

Appendix A-II: Projected Assessed Value - Existing Development (cont.)

| | Tax | Bond | | Parcel K - Office Structure | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Assessed As Of Date | Tax Year Beginning | Bond Year Ending | Appreciation Factor[(a)] | GSF[(b)] | Value Per GSF[(b)] | Phase-In Percentage | Phased-In Value Per GSF[(c)] | Projected Assessed Value | Total Assessed Value |
| 1-Jan-24 | 1-Jul-24 | 15-Feb-25 | 100% | 101,200 | $184 | 100% | $184 | $18,615,500 | $130,039,400 |
| 1-Jan-25 | 1-Jul-25 | 15-Feb-26 | 100% | 101,200 | $184 | 100% | $184 | $18,615,500 | $140,305,800 |
| 1-Jan-26 | 1-Jul-26 | 15-Feb-27 | 102% | 101,200 | $188 | 100% | $188 | $18,987,810 | $143,111,916 |
| 1-Jan-27 | 1-Jul-27 | 15-Feb-28 | 104% | 101,200 | $191 | 100% | $191 | $19,367,566 | $145,974,154 |
| 1-Jan-28 | 1-Jul-28 | 15-Feb-29 | 106% | 101,200 | $195 | 100% | $195 | $19,754,918 | $148,893,637 |
| 1-Jan-29 | 1-Jul-29 | 15-Feb-30 | 108% | 101,200 | $199 | 100% | $199 | $20,150,016 | $151,871,510 |
| 1-Jan-30 | 1-Jul-30 | 15-Feb-31 | 110% | 101,200 | $203 | 100% | $203 | $20,553,016 | $154,908,940 |
| 1-Jan-31 | 1-Jul-31 | 15-Feb-32 | 113% | 101,200 | $207 | 100% | $207 | $20,964,077 | $158,007,119 |
| 1-Jan-32 | 1-Jul-32 | 15-Feb-33 | 115% | 101,200 | $211 | 100% | $211 | $21,383,358 | $161,167,262 |
| 1-Jan-33 | 1-Jul-33 | 15-Feb-34 | 117% | 101,200 | $216 | 100% | $216 | $21,811,025 | $164,390,607 |
| 1-Jan-34 | 1-Jul-34 | 15-Feb-35 | 120% | 101,200 | $220 | 100% | $220 | $22,247,246 | $167,678,419 |
| 1-Jan-35 | 1-Jul-35 | 15-Feb-36 | 122% | 101,200 | $224 | 100% | $224 | $22,692,191 | $171,031,987 |
| 1-Jan-36 | 1-Jul-36 | 15-Feb-37 | 124% | 101,200 | $229 | 100% | $229 | $23,146,034 | $174,452,627 |
| 1-Jan-37 | 1-Jul-37 | 15-Feb-38 | 127% | 101,200 | $233 | 100% | $233 | $23,608,955 | $177,941,680 |
| 1-Jan-38 | 1-Jul-38 | 15-Feb-39 | 129% | 101,200 | $238 | 100% | $238 | $24,081,134 | $181,500,513 |
| 1-Jan-39 | 1-Jul-39 | 15-Feb-40 | 132% | 101,200 | $243 | 100% | $243 | $24,562,757 | $185,130,523 |
| 1-Jan-40 | 1-Jul-40 | 15-Feb-41 | 135% | 101,200 | $248 | 100% | $248 | $25,054,012 | $188,833,134 |
| 1-Jan-41 | 1-Jul-41 | 15-Feb-42 | 137% | 101,200 | $253 | 100% | $253 | $25,555,092 | $192,609,797 |
| 1-Jan-42 | 1-Jul-42 | 15-Feb-43 | 140% | 101,200 | $258 | 100% | $258 | $26,066,194 | $196,461,993 |
| 1-Jan-43 | 1-Jul-43 | 15-Feb-44 | 143% | 101,200 | $263 | 100% | $263 | $26,587,518 | $200,391,232 |



[(a)]Assumes an annual appreciation rate of 2%. Appreciation rate accounts for annual increasing assessed value, along with corresponding changes in real property tax rates and begins in the first year of reassessment.
[(b)]See Appendix A-I.
[(c)]According to Howard County Office of Maryland State Department of Assessments ("SDAT"), stabilization typically occurs one to three years following construction completion or upon the next property revaluation when sufficient income data is available. Next revaluations are expected to occur as of 2026, 2029, and 2032. Projections assume phase-in occurs through 2025 based on SDAT data. Values as of 2024 based on information provided by SDAT.

*Annapolis Junction Town Center*
*Howard County, Maryland*
*Scenario A*

Appendix A-III: Projected Assessed Value - All Development

| Assessed As Of Date | Tax Year Beginning | Bond Year Ending | Appreciation Factor[(a)] | Total Existing Development Value[(b)] | Residual Base Value[(c)] | Total Projected Assessed Value |
|---|---|---|---|---|---|---|
| 1-Jan-24 | 1-Jul-24 | 15-Feb-25 | 100% | $130,039,400 | $1,015,100 | $131,054,500 |
| 1-Jan-25 | 1-Jul-25 | 15-Feb-26 | 100% | $140,305,800 | $1,015,100 | $141,320,900 |
| 1-Jan-26 | 1-Jul-26 | 15-Feb-27 | 102% | $143,111,916 | $1,015,100 | $144,127,016 |
| 1-Jan-27 | 1-Jul-27 | 15-Feb-28 | 104% | $145,974,154 | $1,015,100 | $146,989,254 |
| 1-Jan-28 | 1-Jul-28 | 15-Feb-29 | 106% | $148,893,637 | $1,015,100 | $149,908,737 |
| 1-Jan-29 | 1-Jul-29 | 15-Feb-30 | 108% | $151,871,510 | $1,015,100 | $152,886,610 |
| 1-Jan-30 | 1-Jul-30 | 15-Feb-31 | 110% | $154,908,940 | $1,015,100 | $155,924,040 |
| 1-Jan-31 | 1-Jul-31 | 15-Feb-32 | 113% | $158,007,119 | $1,015,100 | $159,022,219 |
| 1-Jan-32 | 1-Jul-32 | 15-Feb-33 | 115% | $161,167,262 | $1,015,100 | $162,182,362 |
| 1-Jan-33 | 1-Jul-33 | 15-Feb-34 | 117% | $164,390,607 | $1,015,100 | $165,405,707 |
| 1-Jan-34 | 1-Jul-34 | 15-Feb-35 | 120% | $167,678,419 | $1,015,100 | $168,693,519 |
| 1-Jan-35 | 1-Jul-35 | 15-Feb-36 | 122% | $171,031,987 | $1,015,100 | $172,047,087 |
| 1-Jan-36 | 1-Jul-36 | 15-Feb-37 | 124% | $174,452,627 | $1,015,100 | $175,467,727 |
| 1-Jan-37 | 1-Jul-37 | 15-Feb-38 | 127% | $177,941,680 | $1,015,100 | $178,956,780 |
| 1-Jan-38 | 1-Jul-38 | 15-Feb-39 | 129% | $181,500,513 | $1,015,100 | $182,515,613 |
| 1-Jan-39 | 1-Jul-39 | 15-Feb-40 | 132% | $185,130,523 | $1,015,100 | $186,145,623 |
| 1-Jan-40 | 1-Jul-40 | 15-Feb-41 | 135% | $188,833,134 | $1,015,100 | $189,848,234 |
| 1-Jan-41 | 1-Jul-41 | 15-Feb-42 | 137% | $192,609,797 | $1,015,100 | $193,624,897 |
| 1-Jan-42 | 1-Jul-42 | 15-Feb-43 | 140% | $196,461,993 | $1,015,100 | $197,477,093 |
| 1-Jan-43 | 1-Jul-43 | 15-Feb-44 | 143% | $200,391,232 | $1,015,100 | $201,406,332 |

*MuniCap, Inc.* *19-Jun-24*

[(a)]Assumes an annual appreciation rate of 2%. Appreciation rate accounts for annual increasing assessed value, along with corresponding changes to real property tax rates and begins in the first year of reassessment.

[(b)]See Appendix A-II.

[(c)]Represents portion of site assumed to remain undeveloped, based on total projected development for all phases. Undeveloped portion of site is assumed to maintain base value. No appreciation is assumed. See Appendix H.

## Appendix A-IV: Base Value[a]

| District/ Account No. | Owner | Address | Acreage[b] | Assessment As Of 1/1/2011[a] |
|---|---|---|---|---|
| 06 583784 | Maryland Dept. of Transportation | 9009 Dorsey Run Road | 2.21 | $0 |
| 06 586953 | Maryland Dept. of Transportation | 9001 Dorsey Run Road | 1.05 | $0 |
| 06 403344 | State Railroad Administration | 8981 Dorsey Run Road | 3.99 | $0 |
| 06 586961 | State Railroad Administration | 8950 Henkels Lane | 1.95 | $0 |
| 06 586988 | Maryland Dept. of Transportation | 8991 Dorsey Run Road | 0.76 | $0 |
| 06 586996 | State Railroad Administration | 8985 Dorsey Run Road | 2.76 | $0 |
| 06 403085 | Boise Maryland Business Trust | 8960 SW Henkels Lane | 6.14 | $1,608,000 |
| Total | | | 18.86 | $1,608,000 |

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[a]Annapolis Junction Tax Increment District was created in 2012. Accordingly, the base value is as of January 1, 2011. At the time the base value is assumed to be set, parcels owned by the State are assumed to be exempt with an assessed value of zero. Values provided by SDAT.
[b]Acreage based on information provided by SDAT.

*Annapolis Junction Town Center*
*Howard County, Maryland*
*Scenario A*

Appendix A-V: Projected Real Property Tax Revenues

| Tax Year Beginning | Bond Year Ending | Appreciation Factor | Total Projected Market Value[a] | Base Value[b] | Incremental Property Value | FY 24 Howard County Tax Rate Per $100 A.V[c] | Projected Tax Increment Revenues | Percent Available After Tax Payment Discount[d] | Available Incremental Tax Revenues | Available For Debt Service | Incremental Tax Revenues Available For Debt Service |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1-Jul-24 | 15-Feb-25 | 100% | $131,054,500 | ($1,608,000) | $129,446,500 | $1.014 | $1,312,588 | 99.5% | $1,306,025 | 100% | $1,306,025 |
| 1-Jul-25 | 15-Feb-26 | 100% | $141,320,900 | ($1,608,000) | $139,712,900 | $1.014 | $1,416,689 | 99.5% | $1,409,605 | 100% | $1,409,605 |
| 1-Jul-26 | 15-Feb-27 | 102% | $144,127,016 | ($1,608,000) | $142,519,016 | $1.014 | $1,445,143 | 99.5% | $1,437,917 | 100% | $1,437,917 |
| 1-Jul-27 | 15-Feb-28 | 104% | $146,989,254 | ($1,608,000) | $145,381,254 | $1.014 | $1,474,166 | 99.5% | $1,466,795 | 100% | $1,466,795 |
| 1-Jul-28 | 15-Feb-29 | 106% | $149,908,737 | ($1,608,000) | $148,300,737 | $1.014 | $1,503,769 | 99.5% | $1,496,251 | 100% | $1,496,251 |
| 1-Jul-29 | 15-Feb-30 | 108% | $152,886,610 | ($1,608,000) | $151,278,610 | $1.014 | $1,533,965 | 99.5% | $1,526,295 | 100% | $1,526,295 |
| 1-Jul-30 | 15-Feb-31 | 110% | $155,924,040 | ($1,608,000) | $154,316,040 | $1.014 | $1,564,765 | 99.5% | $1,556,941 | 100% | $1,556,941 |
| 1-Jul-31 | 15-Feb-32 | 113% | $159,022,219 | ($1,608,000) | $157,414,219 | $1.014 | $1,596,180 | 99.5% | $1,588,199 | 100% | $1,588,199 |
| 1-Jul-32 | 15-Feb-33 | 115% | $162,182,362 | ($1,608,000) | $160,574,362 | $1.014 | $1,628,224 | 99.5% | $1,620,083 | 100% | $1,620,083 |
| 1-Jul-33 | 15-Feb-34 | 117% | $165,405,707 | ($1,608,000) | $163,797,707 | $1.014 | $1,660,909 | 99.5% | $1,652,604 | 100% | $1,652,604 |
| 1-Jul-34 | 15-Feb-35 | 120% | $168,693,519 | ($1,608,000) | $167,085,519 | $1.014 | $1,694,247 | 99.5% | $1,685,776 | 100% | $1,685,776 |
| 1-Jul-35 | 15-Feb-36 | 122% | $172,047,087 | ($1,608,000) | $170,439,087 | $1.014 | $1,728,252 | 99.5% | $1,719,611 | 100% | $1,719,611 |
| 1-Jul-36 | 15-Feb-37 | 124% | $175,467,727 | ($1,608,000) | $173,859,727 | $1.014 | $1,762,938 | 99.5% | $1,754,123 | 100% | $1,754,123 |
| 1-Jul-37 | 15-Feb-38 | 127% | $178,956,780 | ($1,608,000) | $177,348,780 | $1.014 | $1,798,317 | 99.5% | $1,789,325 | 100% | $1,789,325 |
| 1-Jul-38 | 15-Feb-39 | 129% | $182,515,613 | ($1,608,000) | $180,907,613 | $1.014 | $1,834,403 | 99.5% | $1,825,231 | 100% | $1,825,231 |
| 1-Jul-39 | 15-Feb-40 | 132% | $186,145,623 | ($1,608,000) | $184,537,623 | $1.014 | $1,871,212 | 99.5% | $1,861,855 | 100% | $1,861,855 |
| 1-Jul-40 | 15-Feb-41 | 135% | $189,848,234 | ($1,608,000) | $188,240,234 | $1.014 | $1,908,756 | 99.5% | $1,899,212 | 100% | $1,899,212 |
| 1-Jul-41 | 15-Feb-42 | 137% | $193,624,897 | ($1,608,000) | $192,016,897 | $1.014 | $1,947,051 | 99.5% | $1,937,316 | 100% | $1,937,316 |
| 1-Jul-42 | 15-Feb-43 | 140% | $197,477,093 | ($1,608,000) | $195,869,093 | $1.014 | $1,986,113 | 99.5% | $1,976,182 | 100% | $1,976,182 |
| 1-Jul-43 | 15-Feb-44 | 143% | $201,406,332 | ($1,608,000) | $199,798,332 | $1.014 | $2,025,955 | 99.5% | $2,015,825 | 100% | $2,015,825 |
| Total | | | | | | | $33,693,641 | | $33,525,172 | | $33,525,172 |

*MuniCap, Inc.* *19-Jun-24*

[a]See Appendix A-III.

[b]See Appendix A-IV.

[c]Reflects fiscal year 2024 real property tax rate in Howard County. There is a proposed increase of the real property tax rate to $1.044 for fiscal year 2025. This potential increase is not contemplated in this analysis.

[d]Assumes all property owners pay property bill in entirety by end of July, and thus receive a 0.5% discount.

*Annapolis Junction Town Center*
*Howard County, Maryland*
*Scenario A*

Appendix A-VI: Projected Payment of Debt Service and Debt Service Coverage (Tax Increment Only)

| Tax Year Beginning | Bond Year Ending | Net Annual Debt Service[a] | Real Property Tax Increment Revenues[b] | Surplus/ (Deficit) | Projected Special Tax Revenues | Net Surplus/ (Deficit) | Cumulative Surplus | Debt Service Coverage: Incremental Revenues | Debt Service Coverage: Total Revenues |
|---|---|---|---|---|---|---|---|---|---|
| 1-Jul-24 | 15-Feb-25 | $1,100,267 | $1,306,025 | $205,758 | $0 | $205,758 | $205,758 | 118.70% | 118.70% |
| 1-Jul-25 | 15-Feb-26 | $1,067,250 | $1,409,605 | $342,355 | $0 | $342,355 | $342,355 | 132.08% | 132.08% |
| 1-Jul-26 | 15-Feb-27 | $1,093,600 | $1,437,917 | $344,317 | $0 | $344,317 | $686,672 | 131.48% | 131.48% |
| 1-Jul-27 | 15-Feb-28 | $1,117,962 | $1,466,795 | $348,833 | $0 | $348,833 | $1,035,506 | 131.20% | 131.20% |
| 1-Jul-28 | 15-Feb-29 | $1,145,336 | $1,496,251 | $350,915 | $0 | $350,915 | $1,386,420 | 130.64% | 130.64% |
| 1-Jul-29 | 15-Feb-30 | $1,170,473 | $1,526,295 | $355,822 | $0 | $355,822 | $1,742,242 | 130.40% | 130.40% |
| 1-Jul-30 | 15-Feb-31 | $1,203,372 | $1,556,941 | $353,569 | $0 | $353,569 | $2,095,811 | 129.38% | 129.38% |
| 1-Jul-31 | 15-Feb-32 | $1,228,534 | $1,588,199 | $359,665 | $0 | $359,665 | $2,455,477 | 129.28% | 129.28% |
| 1-Jul-32 | 15-Feb-33 | $1,256,210 | $1,620,083 | $363,873 | $0 | $363,873 | $2,819,349 | 128.97% | 128.97% |
| 1-Jul-33 | 15-Feb-34 | $1,286,149 | $1,652,604 | $366,455 | $0 | $366,455 | $3,185,805 | 128.49% | 128.49% |
| 1-Jul-34 | 15-Feb-35 | $1,313,102 | $1,685,776 | $372,674 | $0 | $372,674 | $3,558,479 | 128.38% | 128.38% |
| 1-Jul-35 | 15-Feb-36 | $1,342,069 | $1,719,611 | $377,542 | $0 | $377,542 | $3,936,021 | 128.13% | 128.13% |
| 1-Jul-36 | 15-Feb-37 | $1,372,800 | $1,754,123 | $381,323 | $0 | $381,323 | $4,317,344 | 127.78% | 127.78% |
| 1-Jul-37 | 15-Feb-38 | $1,410,046 | $1,789,325 | $379,279 | $0 | $379,279 | $4,696,623 | 126.90% | 126.90% |
| 1-Jul-38 | 15-Feb-39 | $1,438,307 | $1,825,231 | $386,924 | $0 | $386,924 | $5,083,547 | 126.90% | 126.90% |
| 1-Jul-39 | 15-Feb-40 | $1,472,833 | $1,861,855 | $389,022 | $0 | $389,022 | $5,472,569 | 126.41% | 126.41% |
| 1-Jul-40 | 15-Feb-41 | $1,503,125 | $1,899,212 | $396,087 | $0 | $396,087 | $5,868,656 | 126.35% | 126.35% |
| 1-Jul-41 | 15-Feb-42 | $1,534,183 | $1,937,316 | $403,133 | $0 | $403,133 | $6,271,790 | 126.28% | 126.28% |
| 1-Jul-42 | 15-Feb-43 | $1,570,757 | $1,976,182 | $405,425 | $0 | $405,425 | $6,677,215 | 125.81% | 125.81% |
| 1-Jul-43 | 15-Feb-44 | $1,607,347 | $2,015,825 | $408,478 | $0 | $408,478 | $7,085,693 | 125.41% | 125.41% |
| Total | | $26,233,722 | $33,525,172 | $7,291,451 | $0 | $7,291,451 | | | |

*MuniCap, Inc.* *19-Jun-24*

[a]Source: Mesirow Financial Inc. Net annual debt service includes gross scheduled debt service plus projected administrative expenses.
[b]See Appendix A-V.

# Annapolis Junction Town Center
# Howard County, Maryland

## APPENDIX B

**Future Development Scenario**
**Assumes 2% Annual Appreciation**
**Value of Future Development Based on Comparables and Cost**

*Annapolis Junction Town Center*
*Howard County, Maryland*
*Scenario B*

Appendix B-I.a: Development Summary - Existing Development

| Property Type | Area[a] Gross SF | Units | GSF per Unit | Spaces | Market Value[b] Per Unit | Per SF | Total Market Value | Year Completed |
|---|---|---|---|---|---|---|---|---|
| Parcel B: | | | | | | | | |
| Residential Structure | 530,441 | 416 | 1,275 | - | $290,006 | $227.44 | $120,642,600 | 2017 |
| Garage[c] | 231,000 | - | - | 624 | - | - | - | 2017 |
| Sub-total Parcel B | 530,441 | 416 | - | - | - | - | $120,642,600 | |
| Sub-total Parcel B (including garage) | 761,441 | 416 | - | 624 | - | - | $120,642,600 | |
| Parcel E: | | | | | | | | |
| Retail Structure | 5,420 | - | - | - | - | $193.30 | $1,047,700 | 2017 |
| Parcel K: | | | | | | | | |
| Office Structure | 101,200 | - | - | - | - | $183.95 | $18,615,500 | 2017 |
| Commercial Garage Structure[c] | 184,200 | - | - | 575 | - | - | - | 2017 |
| Sub-total Parcel K | 101,200 | - | - | - | - | - | $18,615,500 | |
| Sub-total Parcel K (including garage) | 285,400 | - | - | 575 | - | - | $18,615,500 | |
| Parcel A | | | | | | | | |
| Commuter Parking Garage[d] | 260,400 | - | - | 704 | - | - | $0 | 2015 |
| Total Existing Development | 637,061 | 416 | - | - | - | - | $140,305,800 | |
| Total Existing Development (including garages) | 1,312,661 | 416 | - | 1,903 | - | - | $140,305,800 | |

*MuniCap, Inc.* *19-Jun-24*

[a]Represents existing development based on information provided by Administrator in *Developer's Quarterly Continuing Disclosure Statement for Period Ending March 31, 2024*.
[b]See Appendix D. Represents projected market value at stabilization.
[c]Value of garages are included in projected value of associated apartment and office buildings.
[d]While fully phased-in assessed value is $20,333,700, this amount is exempt from taxation, thus not included in projections.

*Annapolis Junction Town Center*
*Howard County, Maryland*
*Scenario B*

Appendix B-I.b: Development Summary - Future Development

| Property Type | Area[a] Gross SF | Units | GSF Per Unit | Spaces | Rooms | Market Value[b] Per Unit | Per SF | Per Room | Total Market Value | Estimated Completion |
|---|---|---|---|---|---|---|---|---|---|---|
| Parcel J: | | | | | | | | | | |
| Future Apartments | 244,438 | 300 | 815 | - | - | $290,006 | $355.93 | - | $87,001,875 | 2027 |
| Future Retail | 7,729 | - | - | - | - | - | $193.30 | - | $1,494,036 | 2027 |
| Future Hotel | 62,030 | - | - | - | 110 | - | $189.57 | $106,898 | $11,758,780 | 2027 |
| Future Amenity Space[c] | 85,241 | - | - | - | - | - | - | - | - | 2027 |
| Future Garage[d] | 188,581 | - | - | 376 | - | - | - | - | - | 2027 |
| Total Future Development | 399,438 | 300 | - | - | 110 | - | - | - | $100,254,691 | |
| Total Future Development (including garage) | 588,019 | 300 | - | 376 | 110 | - | - | - | $100,254,691 | |

*MuniCap, Inc.* *19-Jun-24*

[a]Represents projected Future Development based on information provided by Developer. According to Developer, anticipated delivery of Future Development is three to five years, contingent on Developer obtaining favorable financing terms. Projections herein assume two-year construction schedule, commencing in 2025, with delivery in 2027.

[b]See Appendix D. Represents projected market value at stabilization.

[c]Value of amenity space is included in projected value of apartment units.

[d]Value of garage is included in projected value of apartment units and hotel rooms.

*Annapolis Junction Town Center*
*Howard County, Maryland*
*Scenario B*

## Appendix B-II: Projected Construction Completion - Future Development[(a)]

| | | | | Parcel J | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | Bond | Apartments (Units) | | Retail (GSF) | | Hotel (Rooms) | |
| Year Ending | Assessed As Of Date | Tax Year Beginning | Year Ending | Annual | Cumulative | Annual | Cumulative | Annual | Cumulative |
| 31-Dec-23 | 1-Jan-24 | 1-Jul-24 | 15-Feb-25 | 0 | 0 | 0 | 0 | 0 | 0 |
| 31-Dec-24 | 1-Jan-25 | 1-Jul-25 | 15-Feb-26 | 0 | 0 | 0 | 0 | 0 | 0 |
| 31-Dec-25 | 1-Jan-26 | 1-Jul-26 | 15-Feb-27 | 0 | 0 | 0 | 0 | 0 | 0 |
| 31-Dec-26 | 1-Jan-27 | 1-Jul-27 | 15-Feb-28 | 0 | 0 | 0 | 0 | 0 | 0 |
| 31-Dec-27 | 1-Jan-28 | 1-Jul-28 | 15-Feb-29 | 300 | 300 | 7,729 | 7,729 | 110 | 110 |
| 31-Dec-28 | 1-Jan-29 | 1-Jul-29 | 15-Feb-30 | 0 | 300 | 0 | 7,729 | 0 | 110 |
| 31-Dec-29 | 1-Jan-30 | 1-Jul-30 | 15-Feb-31 | 0 | 300 | 0 | 7,729 | 0 | 110 |
| 31-Dec-30 | 1-Jan-31 | 1-Jul-31 | 15-Feb-32 | 0 | 300 | 0 | 7,729 | 0 | 110 |
| 31-Dec-31 | 1-Jan-32 | 1-Jul-32 | 15-Feb-33 | 0 | 300 | 0 | 7,729 | 0 | 110 |
| 31-Dec-32 | 1-Jan-33 | 1-Jul-33 | 15-Feb-34 | 0 | 300 | 0 | 7,729 | 0 | 110 |
| 31-Dec-33 | 1-Jan-34 | 1-Jul-34 | 15-Feb-35 | 0 | 300 | 0 | 7,729 | 0 | 110 |
| 31-Dec-34 | 1-Jan-35 | 1-Jul-35 | 15-Feb-36 | 0 | 300 | 0 | 7,729 | 0 | 110 |
| 31-Dec-35 | 1-Jan-36 | 1-Jul-36 | 15-Feb-37 | 0 | 300 | 0 | 7,729 | 0 | 110 |
| 31-Dec-36 | 1-Jan-37 | 1-Jul-37 | 15-Feb-38 | 0 | 300 | 0 | 7,729 | 0 | 110 |
| 31-Dec-37 | 1-Jan-38 | 1-Jul-38 | 15-Feb-39 | 0 | 300 | 0 | 7,729 | 0 | 110 |
| 31-Dec-38 | 1-Jan-39 | 1-Jul-39 | 15-Feb-40 | 0 | 300 | 0 | 7,729 | 0 | 110 |
| 31-Dec-39 | 1-Jan-40 | 1-Jul-40 | 15-Feb-41 | 0 | 300 | 0 | 7,729 | 0 | 110 |
| 31-Dec-40 | 1-Jan-41 | 1-Jul-41 | 15-Feb-42 | 0 | 300 | 0 | 7,729 | 0 | 110 |
| 31-Dec-41 | 1-Jan-42 | 1-Jul-42 | 15-Feb-43 | 0 | 300 | 0 | 7,729 | 0 | 110 |
| 31-Dec-42 | 1-Jan-43 | 1-Jul-43 | 15-Feb-44 | 0 | 300 | 0 | 7,729 | 0 | 110 |
| Total | | | | 300 | | 7,729 | | 110 | |

*MuniCap, Inc.* *19-Jun-24*

[(a)]According to Developer, anticipated delivery of Future Development is three to five years, contingent on Developer obtaining favorable financing terms. Projections herein assume two-year construction schedule, commencing in 2025, with delivery in 2027.

# Annapolis Junction Town Center
# Howard County, Maryland

## APPENDIX B

**Future Development Scenario**
**Assumes 2% Annual Appreciation**
**Value of Future Development Based on Comparables and Cost**

*Annapolis Junction Town Center*
*Howard County, Maryland*
*Scenario B*

Appendix B-III: Projected Assessed Value - Existing Development

| | Tax | Bond | | Parcel B - Residential Structure | | | | | Parcel E - Retail Structure | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Assessed As Of Date | Year Beginning | Year Ending | Appreciation Factor[a] | Units[b] | Value Per Unit[b] | Phase-In Percentage | Phased-In Value Per Unit[c] | Projected Assessed Value | GSF[b] | Value Per GSF[b] | Phase-In Percentage | Phased-In Value Per GSF[c] | Projected Assessed Value |
| 1-Jan-24 | 1-Jul-24 | 15-Feb-25 | 100% | 416 | $290,006 | 92% | $265,421 | $110,415,067 | 5,420 | $193 | 96% | $186 | $1,008,833 |
| 1-Jan-25 | 1-Jul-25 | 15-Feb-26 | 100% | 416 | $290,006 | 100% | $290,006 | $120,642,600 | 5,420 | $193 | 100% | $193 | $1,047,700 |
| 1-Jan-26 | 1-Jul-26 | 15-Feb-27 | 102% | 416 | $295,806 | 100% | $295,806 | $123,055,452 | 5,420 | $197 | 100% | $197 | $1,068,654 |
| 1-Jan-27 | 1-Jul-27 | 15-Feb-28 | 104% | 416 | $301,723 | 100% | $301,723 | $125,516,561 | 5,420 | $201 | 100% | $201 | $1,090,027 |
| 1-Jan-28 | 1-Jul-28 | 15-Feb-29 | 106% | 416 | $307,757 | 100% | $307,757 | $128,026,892 | 5,420 | $205 | 100% | $205 | $1,111,828 |
| 1-Jan-29 | 1-Jul-29 | 15-Feb-30 | 108% | 416 | $313,912 | 100% | $313,912 | $130,587,430 | 5,420 | $209 | 100% | $209 | $1,134,064 |
| 1-Jan-30 | 1-Jul-30 | 15-Feb-31 | 110% | 416 | $320,190 | 100% | $320,190 | $133,199,179 | 5,420 | $213 | 100% | $213 | $1,156,745 |
| 1-Jan-31 | 1-Jul-31 | 15-Feb-32 | 113% | 416 | $326,594 | 100% | $326,594 | $135,863,162 | 5,420 | $218 | 100% | $218 | $1,179,880 |
| 1-Jan-32 | 1-Jul-32 | 15-Feb-33 | 115% | 416 | $333,126 | 100% | $333,126 | $138,580,426 | 5,420 | $222 | 100% | $222 | $1,203,478 |
| 1-Jan-33 | 1-Jul-33 | 15-Feb-34 | 117% | 416 | $339,789 | 100% | $339,789 | $141,352,034 | 5,420 | $226 | 100% | $226 | $1,227,548 |
| 1-Jan-34 | 1-Jul-34 | 15-Feb-35 | 120% | 416 | $346,584 | 100% | $346,584 | $144,179,075 | 5,420 | $231 | 100% | $231 | $1,252,098 |
| 1-Jan-35 | 1-Jul-35 | 15-Feb-36 | 122% | 416 | $353,516 | 100% | $353,516 | $147,062,656 | 5,420 | $236 | 100% | $236 | $1,277,140 |
| 1-Jan-36 | 1-Jul-36 | 15-Feb-37 | 124% | 416 | $360,586 | 100% | $360,586 | $150,003,909 | 5,420 | $240 | 100% | $240 | $1,302,683 |
| 1-Jan-37 | 1-Jul-37 | 15-Feb-38 | 127% | 416 | $367,798 | 100% | $367,798 | $153,003,988 | 5,420 | $245 | 100% | $245 | $1,328,737 |
| 1-Jan-38 | 1-Jul-38 | 15-Feb-39 | 129% | 416 | $375,154 | 100% | $375,154 | $156,064,067 | 5,420 | $250 | 100% | $250 | $1,355,312 |
| 1-Jan-39 | 1-Jul-39 | 15-Feb-40 | 132% | 416 | $382,657 | 100% | $382,657 | $159,185,349 | 5,420 | $255 | 100% | $255 | $1,382,418 |
| 1-Jan-40 | 1-Jul-40 | 15-Feb-41 | 135% | 416 | $390,310 | 100% | $390,310 | $162,369,056 | 5,420 | $260 | 100% | $260 | $1,410,066 |
| 1-Jan-41 | 1-Jul-41 | 15-Feb-42 | 137% | 416 | $398,116 | 100% | $398,116 | $165,616,437 | 5,420 | $265 | 100% | $265 | $1,438,268 |
| 1-Jan-42 | 1-Jul-42 | 15-Feb-43 | 140% | 416 | $406,079 | 100% | $406,079 | $168,928,765 | 5,420 | $271 | 100% | $271 | $1,467,033 |
| 1-Jan-43 | 1-Jul-43 | 15-Feb-44 | 143% | 416 | $414,200 | 100% | $414,200 | $172,307,341 | 5,420 | $276 | 100% | $276 | $1,496,374 |

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[a]Assumes an annual appreciation rate of 2%. Appreciation rate accounts for annual increasing assessed value, along with corresponding changes in real property tax rates and begins in the first year of reassessment.

[b]See Appendix B-I.

[c]According to Howard County Office of Maryland State Department of Assessments ("SDAT"), stabilization typically occurs one to three years following construction completion or upon the next property revaluation when sufficient income data is available. Next revaluations are expected to occur as of 2026, 2029, and 2032. Projections assume phase-in occurs through 2025 based on SDAT data. Values as of 2024 based on information provided by SDAT.

*Annapolis Junction Town Center*
*Howard County, Maryland*
*Scenario B*

Appendix B-III: Projected Assessed Value - Existing Development (cont.)

| Assessed As Of Date | Tax Year Beginning | Bond Year Ending | Appreciation Factor[(a)] | Parcel K - Office Structure GSF[(b)] | Value Per GSF[(b)] | Phase-In Percentage | Phased-In Value Per GSF[(c)] | Projected Assessed Value | Total Assessed Value |
|---|---|---|---|---|---|---|---|---|---|
| 1-Jan-24 | 1-Jul-24 | 15-Feb-25 | 100% | 101,200 | $184 | 100% | $184 | $18,615,500 | $130,039,400 |
| 1-Jan-25 | 1-Jul-25 | 15-Feb-26 | 100% | 101,200 | $184 | 100% | $184 | $18,615,500 | $140,305,800 |
| 1-Jan-26 | 1-Jul-26 | 15-Feb-27 | 102% | 101,200 | $188 | 100% | $188 | $18,987,810 | $143,111,916 |
| 1-Jan-27 | 1-Jul-27 | 15-Feb-28 | 104% | 101,200 | $191 | 100% | $191 | $19,367,566 | $145,974,154 |
| 1-Jan-28 | 1-Jul-28 | 15-Feb-29 | 106% | 101,200 | $195 | 100% | $195 | $19,754,918 | $148,893,637 |
| 1-Jan-29 | 1-Jul-29 | 15-Feb-30 | 108% | 101,200 | $199 | 100% | $199 | $20,150,016 | $151,871,510 |
| 1-Jan-30 | 1-Jul-30 | 15-Feb-31 | 110% | 101,200 | $203 | 100% | $203 | $20,553,016 | $154,908,940 |
| 1-Jan-31 | 1-Jul-31 | 15-Feb-32 | 113% | 101,200 | $207 | 100% | $207 | $20,964,077 | $158,007,119 |
| 1-Jan-32 | 1-Jul-32 | 15-Feb-33 | 115% | 101,200 | $211 | 100% | $211 | $21,383,358 | $161,167,262 |
| 1-Jan-33 | 1-Jul-33 | 15-Feb-34 | 117% | 101,200 | $216 | 100% | $216 | $21,811,025 | $164,390,607 |
| 1-Jan-34 | 1-Jul-34 | 15-Feb-35 | 120% | 101,200 | $220 | 100% | $220 | $22,247,246 | $167,678,419 |
| 1-Jan-35 | 1-Jul-35 | 15-Feb-36 | 122% | 101,200 | $224 | 100% | $224 | $22,692,191 | $171,031,987 |
| 1-Jan-36 | 1-Jul-36 | 15-Feb-37 | 124% | 101,200 | $229 | 100% | $229 | $23,146,034 | $174,452,627 |
| 1-Jan-37 | 1-Jul-37 | 15-Feb-38 | 127% | 101,200 | $233 | 100% | $233 | $23,608,955 | $177,941,680 |
| 1-Jan-38 | 1-Jul-38 | 15-Feb-39 | 129% | 101,200 | $238 | 100% | $238 | $24,081,134 | $181,500,513 |
| 1-Jan-39 | 1-Jul-39 | 15-Feb-40 | 132% | 101,200 | $243 | 100% | $243 | $24,562,757 | $185,130,523 |
| 1-Jan-40 | 1-Jul-40 | 15-Feb-41 | 135% | 101,200 | $248 | 100% | $248 | $25,054,012 | $188,833,134 |
| 1-Jan-41 | 1-Jul-41 | 15-Feb-42 | 137% | 101,200 | $253 | 100% | $253 | $25,555,092 | $192,609,797 |
| 1-Jan-42 | 1-Jul-42 | 15-Feb-43 | 140% | 101,200 | $258 | 100% | $258 | $26,066,194 | $196,461,993 |
| 1-Jan-43 | 1-Jul-43 | 15-Feb-44 | 143% | 101,200 | $263 | 100% | $263 | $26,587,518 | $200,391,232 |



[(a)] Assumes an annual appreciation rate of 2%. Appreciation rate accounts for annual increasing assessed value, along with corresponding changes in real property tax rates and begins in the first year of reassessment.

[(b)] See Appendix B-I.

[(c)] According to Howard County Office of Maryland State Department of Assessments ("SDAT"), stabilization typically occurs one to three years following construction completion or upon the next property revaluation when sufficient income data is available. Next revaluations are expected to occur as of 2026, 2029, and 2032. Projections assume phase-in occurs through 2025 based on SDAT data. Values as of 2024 based on information provided by SDAT.

## Appendix B-IV: Projected Assessed Value - Future Development

| Assessed As Of Date | Tax Year Beginning | Bond Year Ending | Appreciation Factor[(a)] | Parcel J - Future Apartments: Units[(b)] Phase-In | Units[(b)] Stabilized | Value Per Unit: Initial[(c)] | Value Per Unit: Stabilized[(d)] | Value Per Unit: Phase-In | Projected Assessed Value |
|---|---|---|---|---|---|---|---|---|---|
| 1-Jan-24 | 1-Jul-24 | 15-Feb-25 | 100% | 0 | 0 | $277,788 | $290,006 | $277,788 | $0 |
| 1-Jan-25 | 1-Jul-25 | 15-Feb-26 | 100% | 0 | 0 | $277,788 | $290,006 | $277,788 | $0 |
| 1-Jan-26 | 1-Jul-26 | 15-Feb-27 | 102% | 0 | 0 | $283,343 | $295,806 | $283,343 | $0 |
| 1-Jan-27 | 1-Jul-27 | 15-Feb-28 | 104% | 0 | 0 | $289,010 | $301,723 | $289,010 | $0 |
| 1-Jan-28 | 1-Jul-28 | 15-Feb-29 | 106% | 300 | 0 | $294,790 | $307,757 | $294,790 | $88,437,122 |
| 1-Jan-29 | 1-Jul-29 | 15-Feb-30 | 108% | 0 | 300 | $300,686 | $313,912 | $301,164 | $90,349,291 |
| 1-Jan-30 | 1-Jul-30 | 15-Feb-31 | 110% | 0 | 300 | $306,700 | $320,190 | $307,538 | $92,261,459 |
| 1-Jan-31 | 1-Jul-31 | 15-Feb-32 | 113% | 0 | 300 | $312,834 | $326,594 | $313,912 | $94,173,627 |
| 1-Jan-32 | 1-Jul-32 | 15-Feb-33 | 115% | 0 | 300 | $319,091 | $333,126 | $320,190 | $96,057,100 |
| 1-Jan-33 | 1-Jul-33 | 15-Feb-34 | 117% | 0 | 300 | $325,472 | $339,789 | $326,594 | $97,978,242 |
| 1-Jan-34 | 1-Jul-34 | 15-Feb-35 | 120% | 0 | 300 | $331,982 | $346,584 | $333,126 | $99,937,807 |
| 1-Jan-35 | 1-Jul-35 | 15-Feb-36 | 122% | 0 | 300 | $338,622 | $353,516 | $339,789 | $101,936,563 |
| 1-Jan-36 | 1-Jul-36 | 15-Feb-37 | 124% | 0 | 300 | $345,394 | $360,586 | $346,584 | $103,975,294 |
| 1-Jan-37 | 1-Jul-37 | 15-Feb-38 | 127% | 0 | 300 | $352,302 | $367,798 | $353,516 | $106,054,800 |
| 1-Jan-38 | 1-Jul-38 | 15-Feb-39 | 129% | 0 | 300 | $359,348 | $375,154 | $360,586 | $108,175,896 |
| 1-Jan-39 | 1-Jul-39 | 15-Feb-40 | 132% | 0 | 300 | $366,535 | $382,657 | $367,798 | $110,339,414 |
| 1-Jan-40 | 1-Jul-40 | 15-Feb-41 | 135% | 0 | 300 | $373,866 | $390,310 | $375,154 | $112,546,202 |
| 1-Jan-41 | 1-Jul-41 | 15-Feb-42 | 137% | 0 | 300 | $381,343 | $398,116 | $382,657 | $114,797,126 |
| 1-Jan-42 | 1-Jul-42 | 15-Feb-43 | 140% | 0 | 300 | $388,970 | $406,079 | $390,310 | $117,093,069 |
| 1-Jan-43 | 1-Jul-43 | 15-Feb-44 | 143% | 0 | 300 | $396,749 | $414,200 | $398,116 | $119,434,930 |

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[(a)]Assumes an annual appreciation rate of 2%. Appreciation rate accounts for annual increasing assessed value, along with corresponding changes to real property tax rates and begins in the first year of reassessment.

[b)]Assumes property is initially assessed based on costs with remaining property value phased-in through stabilization. According to SDAT, stabilization typically occurs one to three years following construction completion or upon the next property revaluation when sufficient income data is available. Next revaluations are scheduled to occur as of 2026, 2029, and 2032. For Parcel J Apartments, it is assumed that units will initially be valued based on cost through the 2028 revaluation; beginning with the 2029 revaluation, per unit value is based on per unit assessed value for existing Residents at Annapolis Junction development. This value is assumed to be phased in over subsequent three-year period. See Appendix B-II for projected absorption. See Appendix D for a comparison of values estimated under different approaches for each property type.

[(c)]See Appendix D. Based on cost.

[(d)]See Appendix B-I.

*Annapolis Junction Town Center*
*Howard County, Maryland*
*Scenario B*

Appendix B-IV: Projected Assessed Value - Future Development (cont.)

| | Tax | Bond | | Future Retail/Restaurant | | | | | Future Hotel | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Assessed | Year | Year | Appreciation | Square Feet[b] | | Value Per SF | | Projected | Rooms[b] | | Value Per Room | | Projected |
| As Of Date | Beginning | Ending | Factor[a] | Phase-In | Stabilized | Phase-In[c] | Stabilized[d] | Market Value | Phase-In | Stabilized | Phase-In[c] | Stabilized[d] | Assessed Value |
| 1-Jan-24 | 1-Jul-24 | 15-Feb-25 | 100% | 0 | 0 | $193 | $193 | $0 | 0 | 0 | $106,898 | $106,898 | $0 |
| 1-Jan-25 | 1-Jul-25 | 15-Feb-26 | 100% | 0 | 0 | $193 | $193 | $0 | 0 | 0 | $106,898 | $106,898 | $0 |
| 1-Jan-26 | 1-Jul-26 | 15-Feb-27 | 102% | 0 | 0 | $197 | $197 | $0 | 0 | 0 | $109,036 | $109,036 | $0 |
| 1-Jan-27 | 1-Jul-27 | 15-Feb-28 | 104% | 0 | 0 | $201 | $201 | $0 | 0 | 0 | $111,217 | $111,217 | $0 |
| 1-Jan-28 | 1-Jul-28 | 15-Feb-29 | 106% | 7,729 | 0 | $205 | $205 | $1,585,483 | 110 | 0 | $113,441 | $113,441 | $12,478,511 |
| 1-Jan-29 | 1-Jul-29 | 15-Feb-30 | 108% | 0 | 7,729 | $209 | $209 | $1,617,192 | 0 | 110 | $115,710 | $115,710 | $12,728,082 |
| 1-Jan-30 | 1-Jul-30 | 15-Feb-31 | 110% | 0 | 7,729 | $213 | $213 | $1,649,536 | 0 | 110 | $118,024 | $118,024 | $12,982,643 |
| 1-Jan-31 | 1-Jul-31 | 15-Feb-32 | 113% | 0 | 7,729 | $218 | $218 | $1,682,527 | 0 | 110 | $120,385 | $120,385 | $13,242,296 |
| 1-Jan-32 | 1-Jul-32 | 15-Feb-33 | 115% | 0 | 7,729 | $222 | $222 | $1,716,177 | 0 | 110 | $122,792 | $122,792 | $13,507,142 |
| 1-Jan-33 | 1-Jul-33 | 15-Feb-34 | 117% | 0 | 7,729 | $226 | $226 | $1,750,501 | 0 | 110 | $125,248 | $125,248 | $13,777,285 |
| 1-Jan-34 | 1-Jul-34 | 15-Feb-35 | 120% | 0 | 7,729 | $231 | $231 | $1,785,511 | 0 | 110 | $127,753 | $127,753 | $14,052,831 |
| 1-Jan-35 | 1-Jul-35 | 15-Feb-36 | 122% | 0 | 7,729 | $236 | $236 | $1,821,221 | 0 | 110 | $130,308 | $130,308 | $14,333,887 |
| 1-Jan-36 | 1-Jul-36 | 15-Feb-37 | 124% | 0 | 7,729 | $240 | $240 | $1,857,646 | 0 | 110 | $132,914 | $132,914 | $14,620,565 |
| 1-Jan-37 | 1-Jul-37 | 15-Feb-38 | 127% | 0 | 7,729 | $245 | $245 | $1,894,798 | 0 | 110 | $135,573 | $135,573 | $14,912,976 |
| 1-Jan-38 | 1-Jul-38 | 15-Feb-39 | 129% | 0 | 7,729 | $250 | $250 | $1,932,694 | 0 | 110 | $138,284 | $138,284 | $15,211,236 |
| 1-Jan-39 | 1-Jul-39 | 15-Feb-40 | 132% | 0 | 7,729 | $255 | $255 | $1,971,348 | 0 | 110 | $141,050 | $141,050 | $15,515,460 |
| 1-Jan-40 | 1-Jul-40 | 15-Feb-41 | 135% | 0 | 7,729 | $260 | $260 | $2,010,775 | 0 | 110 | $143,871 | $143,871 | $15,825,770 |
| 1-Jan-41 | 1-Jul-41 | 15-Feb-42 | 137% | 0 | 7,729 | $265 | $265 | $2,050,991 | 0 | 110 | $146,748 | $146,748 | $16,142,285 |
| 1-Jan-42 | 1-Jul-42 | 15-Feb-43 | 140% | 0 | 7,729 | $271 | $271 | $2,092,011 | 0 | 110 | $149,683 | $149,683 | $16,465,131 |
| 1-Jan-43 | 1-Jul-43 | 15-Feb-44 | 143% | 0 | 7,729 | $276 | $276 | $2,133,851 | 0 | 110 | $152,677 | $152,677 | $16,794,433 |

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[a]Assumes an annual appreciation rate of 2%. Appreciation rate accounts for annual increasing assessed value, along with corresponding changes to real property tax rates and begins in the first year of reassessment.

[b]Assumes property is initially assessed based on costs with remaining property value phased-in through stabilization. According to SDAT, stabilization typically occurs one to three years following construction completion or upon the next property revaluation when sufficient income data is available. Next revaluations are scheduled to occur as of 2026, 2029, and 2032. Projections assume phase-in occurs through 2028, at which point adequate income data will be available and the property will be reassessed. In cases where the cost approach did not yield a lower estimate of value than the comparable approach, the value as estimated under the comparable approach was used from initial development onward with no phase-in. See Appendix B-II for projected absorption. See Appendix D for a comparison of values estimated under different approaches for each property type.

[c]See Appendix D.

[d]See Appendix B-I.

Appendix B-V: Projected Assessed Value - All Development

| Assessed As Of Date | Tax Year Beginning | Bond Year Ending | Appreciation Factor[(a)] | Total Existing Development Value[(b)] | Total Future Development Value[(c)] | Residual Base Value[(d)] | Total Projected Assessed Value |
|---|---|---|---|---|---|---|---|
| 1-Jan-24 | 1-Jul-24 | 15-Feb-25 | 100% | $130,039,400 | $0 | $1,015,100 | $131,054,500 |
| 1-Jan-25 | 1-Jul-25 | 15-Feb-26 | 100% | $140,305,800 | $0 | $1,015,100 | $141,320,900 |
| 1-Jan-26 | 1-Jul-26 | 15-Feb-27 | 102% | $143,111,916 | $0 | $36,500 | $143,148,416 |
| 1-Jan-27 | 1-Jul-27 | 15-Feb-28 | 104% | $145,974,154 | $0 | $36,500 | $146,010,654 |
| 1-Jan-28 | 1-Jul-28 | 15-Feb-29 | 106% | $148,893,637 | $102,501,116 | $36,500 | $251,431,253 |
| 1-Jan-29 | 1-Jul-29 | 15-Feb-30 | 108% | $151,871,510 | $104,694,564 | $36,500 | $256,602,575 |
| 1-Jan-30 | 1-Jul-30 | 15-Feb-31 | 110% | $154,908,940 | $106,893,638 | $36,500 | $261,839,079 |
| 1-Jan-31 | 1-Jul-31 | 15-Feb-32 | 113% | $158,007,119 | $109,098,450 | $36,500 | $267,142,070 |
| 1-Jan-32 | 1-Jul-32 | 15-Feb-33 | 115% | $161,167,262 | $111,280,419 | $36,500 | $272,484,181 |
| 1-Jan-33 | 1-Jul-33 | 15-Feb-34 | 117% | $164,390,607 | $113,506,028 | $36,500 | $277,933,135 |
| 1-Jan-34 | 1-Jul-34 | 15-Feb-35 | 120% | $167,678,419 | $115,776,148 | $36,500 | $283,491,067 |
| 1-Jan-35 | 1-Jul-35 | 15-Feb-36 | 122% | $171,031,987 | $118,091,671 | $36,500 | $289,160,159 |
| 1-Jan-36 | 1-Jul-36 | 15-Feb-37 | 124% | $174,452,627 | $120,453,505 | $36,500 | $294,942,632 |
| 1-Jan-37 | 1-Jul-37 | 15-Feb-38 | 127% | $177,941,680 | $122,862,575 | $36,500 | $300,840,754 |
| 1-Jan-38 | 1-Jul-38 | 15-Feb-39 | 129% | $181,500,513 | $125,319,826 | $36,500 | $306,856,840 |
| 1-Jan-39 | 1-Jul-39 | 15-Feb-40 | 132% | $185,130,523 | $127,826,223 | $36,500 | $312,993,246 |
| 1-Jan-40 | 1-Jul-40 | 15-Feb-41 | 135% | $188,833,134 | $130,382,747 | $36,500 | $319,252,381 |
| 1-Jan-41 | 1-Jul-41 | 15-Feb-42 | 137% | $192,609,797 | $132,990,402 | $36,500 | $325,636,699 |
| 1-Jan-42 | 1-Jul-42 | 15-Feb-43 | 140% | $196,461,993 | $135,650,210 | $36,500 | $332,148,703 |
| 1-Jan-43 | 1-Jul-43 | 15-Feb-44 | 143% | $200,391,232 | $138,363,215 | $36,500 | $338,790,947 |



[(a)]Assumes an annual appreciation rate of 2%. Appreciation rate accounts for annual increasing assessed value, along with corresponding changes to real property tax rates and begins in the first year of reassessment.

[(b)]See Appendix B-III.

[(c)]See Appendix B-IV.

[(d)]Represents portion of site assumed to remain undeveloped, based on total projected development for all phases. Undeveloped portion of site is assumed to maintain base value. The remaining residual base value of $36,500 represents the land value from tax parcel 06-595983, which does not anticipate future development. No appreciation is assumed. See Appendix H.

## Appendix B-VI: Base Value[a]

| District/ Account No. | Owner | Address | Acreage[b] | Assessment As Of 1/1/2011[a] |
|---|---|---|---|---|
| 06 583784 | Maryland Dept. of Transportation | 9009 Dorsey Run Road | 2.21 | $0 |
| 06 586953 | Maryland Dept. of Transportation | 9001 Dorsey Run Road | 1.05 | $0 |
| 06 403344 | State Railroad Administration | 8981 Dorsey Run Road | 3.99 | $0 |
| 06 586961 | State Railroad Administration | 8950 Henkels Lane | 1.95 | $0 |
| 06 586988 | Maryland Dept. of Transportation | 8991 Dorsey Run Road | 0.76 | $0 |
| 06 586996 | State Railroad Administration | 8985 Dorsey Run Road | 2.76 | $0 |
| 06 403085 | Boise Maryland Business Trust | 8960 SW Henkels Lane | 6.14 | $1,608,000 |
| Total | | | 18.86 | $1,608,000 |

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[a]Assumes Annapolis Junction Tax Increment District was created in 2012. Accordingly, the base value is as of January 1, 2011. At the time the base value is assumed to be set, parcels owned by the State are assumed to be exempt with an assessed value of zero. Values provided by SDAT.

[b]Acreage based on information provided by SDAT.

*Annapolis Junction Town Center*
*Howard County, Maryland*
*Scenario B*

Appendix B-VII: Projected Real Property Tax Revenues

| Tax Year Beginning | Bond Year Ending | Appreciation Factor | Total Projected Market Value[a] | Base Value[b] | Incremental Property Value | FY 24 Howard County Tax Rate Per $100 A.V[c] | Projected Tax Increment Revenues | Percent Available After Tax Payment Discount[d] | Available Incremental Tax Revenues | Available For Debt Service | Incremental Tax Revenues Available For Debt Service |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1-Jul-24 | 15-Feb-25 | 100% | $131,054,500 | ($1,608,000) | $129,446,500 | $1.014 | $1,312,588 | 99.5% | $1,306,025 | 100% | $1,306,025 |
| 1-Jul-25 | 15-Feb-26 | 100% | $141,320,900 | ($1,608,000) | $139,712,900 | $1.014 | $1,416,689 | 99.5% | $1,409,605 | 100% | $1,409,605 |
| 1-Jul-26 | 15-Feb-27 | 102% | $143,148,416 | ($1,608,000) | $141,540,416 | $1.014 | $1,435,220 | 99.5% | $1,428,044 | 100% | $1,428,044 |
| 1-Jul-27 | 15-Feb-28 | 104% | $146,010,654 | ($1,608,000) | $144,402,654 | $1.014 | $1,464,243 | 99.5% | $1,456,922 | 100% | $1,456,922 |
| 1-Jul-28 | 15-Feb-29 | 106% | $251,431,253 | ($1,608,000) | $249,823,253 | $1.014 | $2,533,208 | 99.5% | $2,520,542 | 100% | $2,520,542 |
| 1-Jul-29 | 15-Feb-30 | 108% | $256,602,575 | ($1,608,000) | $254,994,575 | $1.014 | $2,585,645 | 99.5% | $2,572,717 | 100% | $2,572,717 |
| 1-Jul-30 | 15-Feb-31 | 110% | $261,839,079 | ($1,608,000) | $260,231,079 | $1.014 | $2,638,743 | 99.5% | $2,625,549 | 100% | $2,625,549 |
| 1-Jul-31 | 15-Feb-32 | 113% | $267,142,070 | ($1,608,000) | $265,534,070 | $1.014 | $2,692,515 | 99.5% | $2,679,053 | 100% | $2,679,053 |
| 1-Jul-32 | 15-Feb-33 | 115% | $272,484,181 | ($1,608,000) | $270,876,181 | $1.014 | $2,746,684 | 99.5% | $2,732,951 | 100% | $2,732,951 |
| 1-Jul-33 | 15-Feb-34 | 117% | $277,933,135 | ($1,608,000) | $276,325,135 | $1.014 | $2,801,937 | 99.5% | $2,787,927 | 100% | $2,787,927 |
| 1-Jul-34 | 15-Feb-35 | 120% | $283,491,067 | ($1,608,000) | $281,883,067 | $1.014 | $2,858,294 | 99.5% | $2,844,003 | 100% | $2,844,003 |
| 1-Jul-35 | 15-Feb-36 | 122% | $289,160,159 | ($1,608,000) | $287,552,159 | $1.014 | $2,915,779 | 99.5% | $2,901,200 | 100% | $2,901,200 |
| 1-Jul-36 | 15-Feb-37 | 124% | $294,942,632 | ($1,608,000) | $293,334,632 | $1.014 | $2,974,413 | 99.5% | $2,959,541 | 100% | $2,959,541 |
| 1-Jul-37 | 15-Feb-38 | 127% | $300,840,754 | ($1,608,000) | $299,232,754 | $1.014 | $3,034,220 | 99.5% | $3,019,049 | 100% | $3,019,049 |
| 1-Jul-38 | 15-Feb-39 | 129% | $306,856,840 | ($1,608,000) | $305,248,840 | $1.014 | $3,095,223 | 99.5% | $3,079,747 | 100% | $3,079,747 |
| 1-Jul-39 | 15-Feb-40 | 132% | $312,993,246 | ($1,608,000) | $311,385,246 | $1.014 | $3,157,446 | 99.5% | $3,141,659 | 100% | $3,141,659 |
| 1-Jul-40 | 15-Feb-41 | 135% | $319,252,381 | ($1,608,000) | $317,644,381 | $1.014 | $3,220,914 | 99.5% | $3,204,809 | 100% | $3,204,809 |
| 1-Jul-41 | 15-Feb-42 | 137% | $325,636,699 | ($1,608,000) | $324,028,699 | $1.014 | $3,285,651 | 99.5% | $3,269,223 | 100% | $3,269,223 |
| 1-Jul-42 | 15-Feb-43 | 140% | $332,148,703 | ($1,608,000) | $330,540,703 | $1.014 | $3,351,683 | 99.5% | $3,334,924 | 100% | $3,334,924 |
| 1-Jul-43 | 15-Feb-44 | 143% | $338,790,947 | ($1,608,000) | $337,182,947 | $1.014 | $3,419,035 | 99.5% | $3,401,940 | 100% | $3,401,940 |
| Total | | | | | | | $52,940,131 | | $52,675,430 | | $52,675,430 |

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[a]See Appendix B-V.

[b]See Appendix B-VI.

[c]Reflects fiscal year 2024 real property tax rate in Howard County. There is a proposed increase of the real property tax rate to $1.044 for fiscal year 2025. This potential increase is not contemplated in this analysis.

[d]Assumes all property owners pay property bill in entirety by end of July, and thus receive a 0.5% discount.

*Annapolis Junction Town Center*
*Howard County, Maryland*
*Scenario B*

Appendix B-VIII: Projected Payment of Debt Service and Debt Service Coverage (Tax Increment Only)

| Tax Year Beginning | Bond Year Ending | Net Annual Debt Service[(a)] | Real Property Tax Increment Revenues[(b)] | Surplus/ (Deficit) | Projected Special Tax Revenues | Net Surplus/ (Deficit) | Cumulative Surplus | Debt Service Coverage: Incremental Revenues | Debt Service Coverage: Total Revenues |
|---|---|---|---|---|---|---|---|---|---|
| 1-Jan-24 | 15-Feb-25 | $1,100,267 | $1,306,025 | $205,758 | $0 | $205,758 | $205,758 | 118.70% | 118.70% |
| 1-Jan-25 | 15-Feb-26 | $1,067,250 | $1,409,605 | $342,355 | $0 | $342,355 | $342,355 | 132.08% | 132.08% |
| 1-Jan-26 | 15-Feb-27 | $1,093,600 | $1,428,044 | $334,444 | $0 | $334,444 | $676,799 | 130.58% | 130.58% |
| 1-Jan-27 | 15-Feb-28 | $1,117,962 | $1,456,922 | $338,960 | $0 | $338,960 | $1,015,759 | 130.32% | 130.32% |
| 1-Jan-28 | 15-Feb-29 | $1,145,336 | $2,520,542 | $1,375,206 | $0 | $1,375,206 | $2,390,965 | 220.07% | 220.07% |
| 1-Jan-29 | 15-Feb-30 | $1,170,473 | $2,572,717 | $1,402,244 | $0 | $1,402,244 | $3,793,208 | 219.80% | 219.80% |
| 1-Jan-30 | 15-Feb-31 | $1,203,372 | $2,625,549 | $1,422,177 | $0 | $1,422,177 | $5,215,386 | 218.18% | 218.18% |
| 1-Jan-31 | 15-Feb-32 | $1,228,534 | $2,679,053 | $1,450,519 | $0 | $1,450,519 | $6,665,905 | 218.07% | 218.07% |
| 1-Jan-32 | 15-Feb-33 | $1,256,210 | $2,732,951 | $1,476,741 | $0 | $1,476,741 | $8,142,646 | 217.56% | 217.56% |
| 1-Jan-33 | 15-Feb-34 | $1,286,149 | $2,787,927 | $1,501,778 | $0 | $1,501,778 | $9,644,424 | 216.77% | 216.77% |
| 1-Jan-34 | 15-Feb-35 | $1,313,102 | $2,844,003 | $1,530,901 | $0 | $1,530,901 | $11,175,325 | 216.59% | 216.59% |
| 1-Jan-35 | 15-Feb-36 | $1,342,069 | $2,901,200 | $1,559,131 | $0 | $1,559,131 | $12,734,456 | 216.17% | 216.17% |
| 1-Jan-36 | 15-Feb-37 | $1,372,800 | $2,959,541 | $1,586,741 | $0 | $1,586,741 | $14,321,197 | 215.58% | 215.58% |
| 1-Jan-37 | 15-Feb-38 | $1,410,046 | $3,019,049 | $1,609,003 | $0 | $1,609,003 | $15,930,200 | 214.11% | 214.11% |
| 1-Jan-38 | 15-Feb-39 | $1,438,307 | $3,079,747 | $1,641,440 | $0 | $1,641,440 | $17,571,640 | 214.12% | 214.12% |
| 1-Jan-39 | 15-Feb-40 | $1,472,833 | $3,141,659 | $1,668,826 | $0 | $1,668,826 | $19,240,466 | 213.31% | 213.31% |
| 1-Jan-40 | 15-Feb-41 | $1,503,125 | $3,204,809 | $1,701,684 | $0 | $1,701,684 | $20,942,151 | 213.21% | 213.21% |
| 1-Jan-41 | 15-Feb-42 | $1,534,183 | $3,269,223 | $1,735,040 | $0 | $1,735,040 | $22,677,190 | 213.09% | 213.09% |
| 1-Jan-42 | 15-Feb-43 | $1,570,757 | $3,334,924 | $1,764,167 | $0 | $1,764,167 | $24,441,358 | 212.31% | 212.31% |
| 1-Jan-43 | 15-Feb-44 | $1,607,347 | $3,401,940 | $1,794,593 | $0 | $1,794,593 | $26,235,951 | 211.65% | 211.65% |
| Total | | $26,233,722 | $52,675,430 | $26,441,708 | $0 | $26,441,708 | | | |

*MuniCap, Inc.* *19-Jun-24*

[(a)]Source: Mesirow Financial Inc. Net annual debt service includes gross scheduled debt service plus projected administrative expenses.
[(b)]See Appendix B-VII.

# Annapolis Junction Town Center
# Howard County, Maryland

## APPENDIX C

### Existing Development
### Assumes No Increase for Appreciation

*Annapolis Junction Town Center*
*Howard County, Maryland*
*Scenario C*

Appendix C-I: Projected Real Property Tax Revenues

| Tax Year Beginning | Bond Year Ending | Appreciation Factor | Total Projected Market Value[(a)] | Base Value[(b)] | Incremental Property Value | FY 24 Howard County Tax Rate Per $100 A.V[(c)] | Projected Tax Increment Revenues | Percent Available After Tax Payment Discount[(d)] | Available Incremental Tax Revenues | Available For Debt Service | Incremental Tax Revenues Available For Debt Service |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1-Jan-24 | 15-Feb-25 | 100% | $131,054,500 | ($1,608,000) | $129,446,500 | $1.014 | $1,312,588 | 99.5% | $1,306,025 | 100% | $1,306,025 |
| 1-Jan-25 | 15-Feb-26 | 100% | $141,320,900 | ($1,608,000) | $139,712,900 | $1.014 | $1,416,689 | 99.5% | $1,409,605 | 100% | $1,409,605 |
| 1-Jan-26 | 15-Feb-27 | 100% | $141,320,900 | ($1,608,000) | $139,712,900 | $1.014 | $1,416,689 | 99.5% | $1,409,605 | 100% | $1,409,605 |
| 1-Jan-27 | 15-Feb-28 | 100% | $141,320,900 | ($1,608,000) | $139,712,900 | $1.014 | $1,416,689 | 99.5% | $1,409,605 | 100% | $1,409,605 |
| 1-Jan-28 | 15-Feb-29 | 100% | $141,320,900 | ($1,608,000) | $139,712,900 | $1.014 | $1,416,689 | 99.5% | $1,409,605 | 100% | $1,409,605 |
| 1-Jan-29 | 15-Feb-30 | 100% | $141,320,900 | ($1,608,000) | $139,712,900 | $1.014 | $1,416,689 | 99.5% | $1,409,605 | 100% | $1,409,605 |
| 1-Jan-30 | 15-Feb-31 | 100% | $141,320,900 | ($1,608,000) | $139,712,900 | $1.014 | $1,416,689 | 99.5% | $1,409,605 | 100% | $1,409,605 |
| 1-Jan-31 | 15-Feb-32 | 100% | $141,320,900 | ($1,608,000) | $139,712,900 | $1.014 | $1,416,689 | 99.5% | $1,409,605 | 100% | $1,409,605 |
| 1-Jan-32 | 15-Feb-33 | 100% | $141,320,900 | ($1,608,000) | $139,712,900 | $1.014 | $1,416,689 | 99.5% | $1,409,605 | 100% | $1,409,605 |
| 1-Jan-33 | 15-Feb-34 | 100% | $141,320,900 | ($1,608,000) | $139,712,900 | $1.014 | $1,416,689 | 99.5% | $1,409,605 | 100% | $1,409,605 |
| 1-Jan-34 | 15-Feb-35 | 100% | $141,320,900 | ($1,608,000) | $139,712,900 | $1.014 | $1,416,689 | 99.5% | $1,409,605 | 100% | $1,409,605 |
| 1-Jan-35 | 15-Feb-36 | 100% | $141,320,900 | ($1,608,000) | $139,712,900 | $1.014 | $1,416,689 | 99.5% | $1,409,605 | 100% | $1,409,605 |
| 1-Jan-36 | 15-Feb-37 | 100% | $141,320,900 | ($1,608,000) | $139,712,900 | $1.014 | $1,416,689 | 99.5% | $1,409,605 | 100% | $1,409,605 |
| 1-Jan-37 | 15-Feb-38 | 100% | $141,320,900 | ($1,608,000) | $139,712,900 | $1.014 | $1,416,689 | 99.5% | $1,409,605 | 100% | $1,409,605 |
| 1-Jan-38 | 15-Feb-39 | 100% | $141,320,900 | ($1,608,000) | $139,712,900 | $1.014 | $1,416,689 | 99.5% | $1,409,605 | 100% | $1,409,605 |
| 1-Jan-39 | 15-Feb-40 | 100% | $141,320,900 | ($1,608,000) | $139,712,900 | $1.014 | $1,416,689 | 99.5% | $1,409,605 | 100% | $1,409,605 |
| 1-Jan-40 | 15-Feb-41 | 100% | $141,320,900 | ($1,608,000) | $139,712,900 | $1.014 | $1,416,689 | 99.5% | $1,409,605 | 100% | $1,409,605 |
| 1-Jan-41 | 15-Feb-42 | 100% | $141,320,900 | ($1,608,000) | $139,712,900 | $1.014 | $1,416,689 | 99.5% | $1,409,605 | 100% | $1,409,605 |
| 1-Jan-42 | 15-Feb-43 | 100% | $141,320,900 | ($1,608,000) | $139,712,900 | $1.014 | $1,416,689 | 99.5% | $1,409,605 | 100% | $1,409,605 |
| 1-Jan-43 | 15-Feb-44 | 100% | $141,320,900 | ($1,608,000) | $139,712,900 | $1.014 | $1,416,689 | 99.5% | $1,409,605 | 100% | $1,409,605 |
| Total | | | | | | | $28,229,675 | | $28,088,526 | | $28,088,526 |

*MuniCap, Inc.* *19-Jun-24*

[(a)]See Appendix A-III. Assumes no increase in value for appreciation.

[(b)]See Appendix A-IV.

[(c)]Reflects fiscal year 2024 real property tax rate in Howard County. There is a proposed increase of the real property tax rate to $1.044 for fiscal year 2025. This potential increase is not contemplated in this analysis.

[(d)]Assumes all property owners pay property bill in entirety by end of July, and thus receive a 0.5% discount.

*Annapolis Junction Town Center*
*Howard County, Maryland*
*Scenario C*

Appendix C-II: Projected Payment of Debt Service and Debt Service Coverage (Tax Increment Only)

| Tax Year Beginning | Bond Year Ending | Net Annual Debt Service[a] | Real Property Tax Increment Revenues[b] | Surplus/ (Deficit) | Projected Special Tax Revenues | Net Surplus/ (Deficit) | Cumulative Surplus | Debt Service Coverage Incremental Revenues | Debt Service Coverage Total Revenues |
|---|---|---|---|---|---|---|---|---|---|
| 1-Jan-24 | 15-Feb-25 | $1,100,267 | $1,306,025 | $205,758 | $0 | $205,758 | $205,758 | 118.70% | 118.70% |
| 1-Jan-25 | 15-Feb-26 | $1,067,250 | $1,409,605 | $342,355 | $0 | $342,355 | $342,355 | 132.08% | 132.08% |
| 1-Jan-26 | 15-Feb-27 | $1,093,600 | $1,409,605 | $316,005 | $0 | $316,005 | $658,361 | 128.90% | 128.90% |
| 1-Jan-27 | 15-Feb-28 | $1,117,962 | $1,409,605 | $291,643 | $0 | $291,643 | $950,004 | 126.09% | 126.09% |
| 1-Jan-28 | 15-Feb-29 | $1,145,336 | $1,409,605 | $264,269 | $0 | $264,269 | $1,214,273 | 123.07% | 123.07% |
| 1-Jan-29 | 15-Feb-30 | $1,170,473 | $1,409,605 | $239,132 | $0 | $239,132 | $1,453,406 | 120.43% | 120.43% |
| 1-Jan-30 | 15-Feb-31 | $1,203,372 | $1,409,605 | $206,233 | $0 | $206,233 | $1,659,639 | 117.14% | 117.14% |
| 1-Jan-31 | 15-Feb-32 | $1,228,534 | $1,409,605 | $181,071 | $0 | $181,071 | $1,840,711 | 114.74% | 114.74% |
| 1-Jan-32 | 15-Feb-33 | $1,256,210 | $1,409,605 | $153,395 | $0 | $153,395 | $1,994,106 | 112.21% | 112.21% |
| 1-Jan-33 | 15-Feb-34 | $1,286,149 | $1,409,605 | $123,456 | $0 | $123,456 | $2,117,562 | 109.60% | 109.60% |
| 1-Jan-34 | 15-Feb-35 | $1,313,102 | $1,409,605 | $96,503 | $0 | $96,503 | $2,214,066 | 107.35% | 107.35% |
| 1-Jan-35 | 15-Feb-36 | $1,342,069 | $1,409,605 | $67,536 | $0 | $67,536 | $2,281,602 | 105.03% | 105.03% |
| 1-Jan-36 | 15-Feb-37 | $1,372,800 | $1,409,605 | $36,805 | $0 | $36,805 | $2,318,407 | 102.68% | 102.68% |
| 1-Jan-37 | 15-Feb-38 | $1,410,046 | $1,409,605 | ($441) | $441 | $0 | $2,318,407 | 99.97% | 100.00% |
| 1-Jan-38 | 15-Feb-39 | $1,438,307 | $1,409,605 | ($28,702) | $28,702 | $0 | $2,318,407 | 98.00% | 100.00% |
| 1-Jan-39 | 15-Feb-40 | $1,472,833 | $1,409,605 | ($63,228) | $63,228 | $0 | $2,318,407 | 95.71% | 100.00% |
| 1-Jan-40 | 15-Feb-41 | $1,503,125 | $1,409,605 | ($93,520) | $93,520 | $0 | $2,318,407 | 93.78% | 100.00% |
| 1-Jan-41 | 15-Feb-42 | $1,534,183 | $1,409,605 | ($124,578) | $124,578 | $0 | $2,318,407 | 91.88% | 100.00% |
| 1-Jan-42 | 15-Feb-43 | $1,570,757 | $1,409,605 | ($161,152) | $161,152 | $0 | $2,318,407 | 89.74% | 100.00% |
| 1-Jan-43 | 15-Feb-44 | $1,607,347 | $1,409,605 | ($197,742) | $197,742 | $0 | $2,318,407 | 87.70% | 100.00% |
| Total | | $26,233,722 | $28,088,526 | $1,854,805 | $669,360 | $2,524,165 | | | |

*MuniCap, Inc.* *19-Jun-24*

[a]Source: Mesirow Financial Inc. Net annual debt service includes gross scheduled debt service plus projected administrative expenses.
[b]See Appendix C-I.

# Annapolis Junction Town Center
# Howard County, Maryland

## APPENDIX D

### Comparison of Valuation Methods

*Annapolis Junction Town Center*
*Howard County, Maryland*

Appendix D-I: Comparison of Valuation Methods[(a)]

| Property Type | Comparables[(b)] (Scenario B) | Income Capitalization[(c)] | Cost Approach[(d)] | Assessed Value as Recorded on SDAT as of 01/01/2023 Total | Per GSF |
|---|---|---|---|---|---|
| ***Existing Development*** | | | | | |
| Parcel B - Residential Structure[(e)] | - | - | - | $120,642,600 | $227.44 |
| Parcel E - Retail Structure | - | - | - | $1,047,700 | $193.30 |
| Parcel K - Office Structure[(e)] | - | - | - | $18,615,500 | $183.95 |
| ***Future Development*** | | | | | |
| Apartments | | | | | |
| Per Unit | ***$290,006*** | $315,981 | $277,788 | | |
| Per SF | $227.44 | $387.81 | $252.78 | | |
| Retail/restaurant | | | | | |
| Per SF | ***$193.30*** | $228.97 | $326.13 | | |
| Hotel | | | | | |
| Per Room | ***$106,898*** | $154,742 | $151,130 | | |
| Per SF | $189.57 | $274.41 | $268.00 | | |
| Future Development total projected stabilized value | ***$100,254,691*** | $113,585,630 | $102,481,269 | | |

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[(a)]Valuation approach chosen for each type of development is underlined and shown in bold and italics.
[(b)]See Appendix E.
[(c)]See Appendix F.
[(d)]See Appendix G. Apartment values include cost of parking structure. Total Future Development projected stabilized value includes costs associated with 85,241 square feet of Future Amenity Space.
[(e)]Value of garages are included in projected value of associated apartment and office buildings.

# Annapolis Junction Town Center
# Howard County, Maryland

## <u>APPENDIX E</u>

**Assessed Value Comparables**

Appendix E-I: Projected Market Value (Comparables)[a]

| Development | Account Identifier | Year Built | Address | County | Property Area Gross SF[b] | Property Area Units[b] | Assessed Value[a] Land | Assessed Value[a] Building | Assessed Value[a] Total | Assessed Value[a] Per GSF | Assessed Value[a] Per Unit | Most Comparable Per GSF | Most Comparable Per Unit |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ***Apartments*** | | | | | | | | | | | | | |
| The Residences at Annapolis Junction | 06-403344 | 2017 | 10125 Junction Drive | Howard | 530,441 | 416 | $3,883,800 | $116,758,800 | $120,642,600 | $227 | $290,006 | $227 | $290,006 |
| The Vine | 05-344859 | 2018 | 10945 Price Manor Way | Howard | 536,742 | 283 | $3,550,000 | $61,549,600 | $65,099,600 | $121 | $230,034 | - | - |
| The Refinery | 01-180665 | 2020 | 7000 Barnett Lane | Howard | 206,016 | 250 | $4,756,700 | $66,694,500 | $71,451,200 | $347 | $285,805 | - | - |
| Dartmoor Place Apartments | 01-598980 | 2020 | 7200 Alden Way | Howard | 269,550 | 258 | $789,500 | $53,958,700 | $54,748,200 | $203 | $212,202 | - | - |
| Vista Wilde Lake | 15-044616 | 2017 | 5421 Lynx Lane | Howard | 227,152 | 230 | $2,430,600 | $54,258,800 | $56,689,400 | $250 | $246,476 | - | - |
| The Wexley at 100 | 01-603033 | 2019 | 5875 Meadowridge Road | Howard | 502,921 | 394 | $3,464,700 | $45,274,300 | $48,739,000 | $97 | $123,703 | - | - |
| The Shirley | 04-680-90244558 | 2021 | 2005 Town Center Boulevard | Anne Arundel | 249,791 | 270 | $2,342,100 | $71,892,900 | $74,235,000 | $297 | $274,944 | - | - |
| The Arundel | 04-000-90231750 | 2018 | Arundel Mills Boulevard | Anne Arundel | 221,100 | 233 | $11,650,000 | $48,505,300 | $60,155,300 | $272 | $258,177 | - | - |
| Residences at Arundel Preserves | 04-000-90231749 | 2011 | Milestone Parkway | Anne Arundel | 276,732 | 242 | $12,100,000 | $43,860,000 | $55,960,000 | $202 | $231,240 | - | - |
| Average | | | | | | | | | | $224 | $239,176 | ***$227*** | $290,006 |

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[a]Information illustrated for each property based on information provided by SDAT. Represents fully phased-in assessed value. Taxable value for current tax year may be lower. Value chosen for each type of development is underlined and shown in bold and italics.

[b]Gross square footage and units provided by CoStar as accessed by MuniCap on April 18, 2024.

[c]Gross square footage and units provided by Administrator in Annual Development Activity and Disclosure Report for the Period Ending December 31, 2023. Does not include parking garage associated with the apartments.

*Annapolis Junction Town Center*
*Howard County, Maryland*

Appendix E-II: Projected Market Value (Comparables) - Retail/Restaurant[(a)]

| | Account | Year | | | Property Area | Assessed Value[(a)] | | | | | Most Comparable | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Development | Identifier | Built | Address | County | Gross SF[(b)] | Land | Building | Total | Per GSF | Per Unit | Per GSF | Per Unit |
| ***Retail/restaurant*** | | | | | | | | | | | | |
| Annapolis Junction Town Center[(c)] | 06-595981 | 2017 | 10150 Junction Drive | Howard | 5,420 | $271,800 | $775,900 | $1,047,700 | $193 | - | $193 | - |
| Freestanding retail | 06-413684 | 2002 | 6500 Waterloo Road | Howard | 6,400 | $692,600 | $838,700 | $1,531,300 | $239 | - | - | - |
| Route 100 Tech Park | 04-444-90233220 | 2014 | 1741 Dorsey Road | Anne Arundel | 10,776 | $528,400 | $2,261,800 | $2,790,200 | $259 | - | - | - |
| National Business Park | 04-499-90062539 | 2002 | 114 National Business Parkway | Anne Arundel | 10,100 | $1,387,500 | $698,800 | $2,086,300 | $207 | - | - | - |
| Freestanding retail | 05-458145 | 2019 | 11710 E Market Place | Howard | 8,939 | $458,200 | $1,158,500 | $1,616,700 | $181 | - | - | - |
| Shipley's Grant | 01-595886 | 2015 | 5715 Richards Valley Road | Howard | 8,100 | $640,300 | $1,817,600 | $2,457,900 | $303 | - | - | - |
| Average | | | | | | | | | $175 | | ***$193*** | - |

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[(a)]Information illustrated for each property based on information provided by SDAT. Represents fully phased-in assessed value. Taxable value for current tax year may be lower. Value chosen for each type of development is underlined and shown in bold and italics.

[(b)]Gross square footage and units provided by CoStar as accessed by MuniCap on April 18, 2024.

[(c)]Gross square footage and units provided by Administrator in Annual Development Activity and Disclosure Report for the Period Ending December 31, 2023. Does not include parking garage associated with the apartments.

Appendix E-III: Projected Market Value (Comparables), continued[(a)]

| Development | Account Identifier | Year Built | Address | County | Property Area GSF[(b)] | Property Area Rooms[(b)] | Assessed Value[(a)] Land | Building | Total | Per GSF | Per Room | Most Comparable Per GSF | Most Comparable Per Room |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ***Hotel*** | | | | | | | | | | | | | |
| The Hotel at Arundel Preserve | 04-000-90231748 | 2011 | 7795 Arundel Mills Boulevard | Anne Arundel | 140,000 | 150 | $1,441,000 | $14,593,700 | $16,034,700 | $115 | $106,898 | $115 | $106,898 |
| Cambria Hotels Arundel Mills - BWI Airport | 04-000-90222376 | 2019 | 7700 Milestone Parkway | Anne Arundel | 40,000 | 122 | $4,312,000 | $2,970,100 | $7,282,100 | $182 | $59,689 | - | - |
| Residence Inn Fulton at Maple Lawn | 05-454611 | 2019 | 11800 W Market Place | Howard County | 78,972 | 103 | $2,301,300 | $7,942,400 | $10,243,700 | $130 | $99,453 | - | - |
| Homewood Suites by Hilton Columbia/Laurel | 05-432588 | 2015 | 7531 Montpelier Road | Howard County | 195,600 | 114 | $1,372,100 | $15,179,100 | $16,551,200 | $85 | $145,186 | - | - |
| Average | | | | | | | | | | $128 | $102,807 | $115 | ***$106,898*** |

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[(a)]Information illustrated for each property based on information provided by SDAT. Represents fully phased-in assessed value. Taxable value for current tax year may be lower. Value chosen for each type of development is underlined and shown in bold and italics.
[(b)]Gross square footage and units provided by CoStar as accessed by MuniCap on April 18, 2024.

## Appendix E-IV: Projected Market Value (Comparables), continued[a]

| Development | Account Identifier | Year Built | Address | County | Property Area: GSF | Property Area: Spaces[b] | Assessed Value[a]: Land | Assessed Value[a]: Building | Assessed Value[a]: Total | Assessed Value[a]: Per GSF | Assessed Value[a]: Per Space |
|---|---|---|---|---|---|---|---|---|---|---|---|
| ***Parking*** | | | | | | | | | | | |
| Savage Marc Commuter Parking | 06-583784 | 2015 | 9009 Dorsey Run Road | Howard | 260,400 | 704 | $1,787,700 | $18,546,000 | $20,333,700 | $78 | $28,883 |

*MuniCap, Inc.* *19-Jun-24*

[a]Information illustrated for each property based on information provided by SDAT.

# Annapolis Junction Town Center
# Howard County, Maryland

## APPENDIX F

### Income Capitalization Assumptions

*Annapolis Junction Town Center*
*Howard County, Maryland*

## Appendix F-I: Projected Market Value (Income Capitalization) - Apartments

| | CoStar Property Data[a] | Developer Assumptions Future Apartments[b] |
|---|---|---|
| Monthly rent per square foot | $1.93 | $2.95 |
| Annual rent per square foot | $23.10 | $35.35 |
| Monthly rent per unit[a] | $2,455 | $2,400 |
| Annual rent per unit | $29,460 | $28,800 |
| Other annual income per unit[c] | $2,274 | $0 |
| Total annual income per unit | $31,734 | $28,800 |
| | | |
| Occupancy[a] | 94% | 94% |
| Effective rent per square foot | $21.65 | $33.12 |
| Effective rent per unit | $29,734.77 | $26,985.60 |
| | | |
| Expense ratio[d] | 25.75% | 23.00% |
| Expenses | ($7,656.70) | ($6,206.69) |
| Net operating income per square foot | $16.07 | $25.50 |
| Net operating income per unit | $22,078 | $20,779 |
| | | |
| Capitalization rate[d] | 5.450% | 5.450% |
| Tax rate[e] | 1.126% | 1.126% |
| Fully loaded capitalization rate | 6.576% | 6.576% |
| | | |
| Value per unit | $335,737 | ***$315,981*** |
| Value per gross square foot | $412.05 | ***$387.81*** |

*MuniCap, Inc.* *19-Jun-24*

[a]Represents data based on current CoStar property data as accessed by MuniCap on May 1, 2024, unless stated otherwise.
[b]Based on information provided by Developer.
[c]Represents information provided by CoStar based on underwriting for existing apartments at Development.
[d]Based on interviews with SDAT staff.
[e]Includes fiscal year 2024 Howard County ($1.014) and Maryland State ($0.112) tax rate.

*Annapolis Junction Town Center*
*Howard County, Maryland*

## Appendix F-II: Projected Market Value (Income Capitalization) - Retail

| | CoStar Assumptions[a] | Assessor Assumptions[b] | Developer Assumptions[c] |
|---|---|---|---|
| Monthly rent per square foot | $1.89 | $2.55 | $2.50 |
| Annual rent per square foot | $22.69 | $30.64 | $30.00 |
| | | | |
| Occupancy[a] | 100% | 100% | 100% |
| Effective rent per square foot | $22.69 | $30.64 | $30.00 |
| | | | |
| Expense ratio[a] | 27% | 16% | 27% |
| Expenses | ($6.19) | ($4.90) | ($8.19) |
| Net operating income per square foot | $16.50 | $25.74 | $21.81 |
| | | | |
| Capitalization rate[b] | 6.800% | 8.400% | 8.400% |
| Tax rate[d] | 1.126% | 1.126% | 1.126% |
| Fully loaded capitalization rate | 7.926% | 9.526% | 9.526% |
| | | | |
| Value per gross square foot | $208.14 | $270.18 | ***$228.97*** |

*MuniCap, Inc.* *19-Jun-24*

[a]Represents data based on current CoStar market data as accessed by MuniCap on May 1, 2024, unless stated otherwise.

[b]Based on MuniCap interviews with SDAT staff unless stated otherwise.

[c]Based on information provided by Developer.

[d]Includes fiscal year 2024 Howard County ($1.014) and Maryland State ($0.112) tax rate.

*Annapolis Junction Town Center*
*Howard County, Maryland*

## Appendix F-III: Projected Market Value (Income Capitalization) - Hotel

| | CoStar Financials Assumptions[a] | Developer Assumptions |
|---|---|---|
| Average daily rate per room[b] | $112.78 | $150.00 |
| Gross annual income | $41,164.97 | $54,750.00 |
| Assumed occupancy[c] | 67.0% | 70.0% |
| Effective gross income per room | $27,580.53 | $38,325.00 |
| | | |
| Assumed expense ratio[c] | 64% | 58% |
| Less: assumed expenses | ($17,696.31) | ($22,036.88) |
| Net operating income per room | $9,884.22 | $16,288.13 |
| | | |
| Capitalization rate[c] | 9.39% | 9.40% |
| Tax rate[d] | 1.126% | 1.126% |
| Fully loaded capitalization rate | 10.52% | 10.53% |
| | | |
| Total estimated value per room | $93,992 | ***$154,742*** |

*MuniCap, Inc.* *19-Jun-24*

[a]Assumptions reflect Upscale and Upper Midscale BWI Submarket information provided by CoStar as accessed by MuniCap on April 26, 2024.

[b]Based on information provided by Developer.

[c]Assumptions by MuniCap, informed by interviews with SDAT staff.

[d]Includes fiscal year 2024 Howard County ($1.014) and Maryland State ($0.112) tax rate.

# Annapolis Junction Town Center
# Howard County, Maryland

## APPENDIX G

### Cost Approach Assumptions

*Annapolis Junction Town Center*
*Howard County, Maryland*

Appendix G-I: Projected Market Value (Cost Estimates by Property Type)[a]

| Occupancy | Class | Height | Stories | Rank |
|---|---|---|---|---|
| Apartments | Fireproof Structural Steel Frame | 9' | 16/18 | Very Good |
| *Structure cost -- apartment building* | | | | |
| Base cost per square foot | $135.90 | | | |
| Exterior walls per square foot | $39.44 | | | |
| Heating & cooling per square foot | $15.22 | | | |
| Estimated improved value per square foot based on cost | $190.56 | | | |
| *Land value* | | | | |
| Estimated land value per square foot[b] | $1.66 | | | |
| Total estimated market value per square foot | $192.22 | | | |
| Gross square feet[c] | 329,679 | | | |
| Sub-total apartment structure cost | $63,372,293 | | | |
| Hotel | Fireproof Structural Steel Frame | 10' | 13/15 | Very Good |
| *Structure cost* | | | | |
| Base cost per square foot | $200.30 | | | |
| Exterior walls per square foot | $45.07 | | | |
| Heating & cooling per square foot | $20.97 | | | |
| Estimated improved value per square foot based on cost | $266.34 | | | |
| *Land value* | | | | |
| Estimated land value per square foot[b] | $1.66 | | | |
| Total estimated market value per square foot | $268.00 | | | |
| Gross square feet[d] | 62,030 | | | |
| Sub-total hotel structure cost | $16,624,303 | | | |
| Retail/Restaurant | Fireproof Structural Steel Frame | 12' | 1 | Very Good |
| *Structure cost* | | | | |
| Base cost per square foot | $243.12 | | | |
| Exterior walls per square foot | $45.12 | | | |
| Heating & cooling per square foot | $36.23 | | | |
| Estimated improved value per square foot based on cost | $324.47 | | | |
| *Land value* | | | | |
| Estimated land value per square foot[b] | $1.66 | | | |
| Total estimated market value per square foot | $326.13 | | | |
| Gross square feet[d] | 7,729 | | | |
| Sub-total restaurant structure cost | $2,520,691 | | | |
| Garage | Fireproof Structural Steel Frame | 8' | 5/6 | Very Good |
| *Structure cost* | | | | |
| Base cost per square foot | $85.79 | | | |
| Exterior walls per square foot | $18.41 | | | |
| Heating & cooling per square foot | $0.00 | | | |
| Estimated improved value per square foot based on cost | $104.20 | | | |
| *Land value* | | | | |
| Estimated land value per net square foot[b] | $1.66 | | | |
| Total estimated market value per square foot | $105.86 | | | |
| Gross square feet[d] | 188,581 | | | |
| Sub-total garage structure cost | $19,963,983 | | | |
| Sub-total estimated garage and apartment market value per square foot | $252.78 | | | |

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[a]All cost estimates by MuniCap, Inc., using Marshall & Swift "Commercial Estimator 7" software.
[b]See Appendix G-II.
[c]See Appendix B-I. Includes gross square feet of Future Apartments and Future Amenity Space.
[d]See Appendix B-I.

## Appendix G-II: Projected Market Value - Existing Land Value - Future Development

| Development Type | Account Identifier | Year Built | Address | County | Property Area | | Assessed Value[a] | |
|---|---|---|---|---|---|---|---|---|
| | | | | | GSF | Acreage | Land | Per Acre |
| Parcel J - Undeveloped | 06-595982 | NA | Junction Drive | Howard | 0 | 2.4963 | $978,600 | $392,020 |

*MuniCap, Inc.* *19-Jun-24*

[a]Information illustrated for undeveloped parcel located at the development based on information provided by SDAT. Represents the fully phased-in value as of January 1, 2023.

# Annapolis Junction Town Center
# Howard County, Maryland

## APPENDIX H

**Residual Base Value**

*Annapolis Junction Town Center*
*Howard County, Maryland*

Appendix H-I: Residual Base Value

| Parcel Number | Classification | Base Value | Fully Phased-In Assessed Value as of 01/01/2023[a] | Phased-In Asssessed Value as of 07/01/24[a] | Current/Projected Use | Included in Residual Value[b] |
|---|---|---|---|---|---|---|
| 06-403344 | Taxable Property | $1,373,050 | $120,642,600 | $110,415,067 | Parcel B - existing apartments | $0 |
| 06-403085 | Taxable Property | $208,149 | $18,615,500 | $18,615,500 | Parcel K - existing office | $0 |
| 06-583784 | Exempt | $0 | $0 | $0 | Parcel A - commuter parking | $0 |
| 06-595980[c] | Taxable Property | $4,617 | $412,900 | $412,900 | Deleted - Consolidated into Parcel J | $0 |
| 06-595981 | Taxable Property | $11,280 | $1,047,700 | $1,008,833 | Parcel E - existing retail | $0 |
| 06-595982 | Taxable Property | $10,496 | $978,600 | $978,600 | Parcel J - future development | $978,600 |
| 06-595983 | Taxable Property | $408 | $36,500 | $36,500 | Parcel G - potential future development | $36,500 |
| **Total** | | **$1,608,000** | **$141,733,800** | **$131,467,400** | | **$1,015,100** |

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[a]Information illustrated for each property based on information provided by SDAT.

[b]Total residual value is only represented in Scenario A and C. In Scenario B, Parcel J is anticipated to be fully developed and residual value would only reflect value of Parcel G.

[c]Assumes that value for Parcel 06-595980 is reflected in parcel 06-595982 following consolidation.

## APPENDIX B

## Rate and Method of Apportionment of Special Taxes

## HOWARD COUNTY, MARYLAND
## ANNAPOLIS JUNCTION TOWN CENTER SPECIAL TAXING DISTRICT

## *RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES*

A Special Tax is hereby levied and shall be collected in the Annapolis Junction Town Center Special Taxing District (the "District") each Fiscal Year, beginning with the Commencement Date and continuing until the Termination Date, in an amount equal to the Maximum Special Tax as determined by the procedures described below. All of the real and personal property in the District, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

### A. DEFINITIONS

The terms used herein shall have the following meanings:

**"Act"** means Md. Art. 24 Code Annot., Section 9-1301, *et seq.*, as amended from time to time.

**"Adjusted Maximum Special Tax"** means the Special Tax determined in accordance with Section B.2.

**"Administrative Expenses"** means any or all of the following: the fees and expenses of any fiscal agent or trustee employed by the County in connection with any Bonds; the expenses of the County in carrying out its respective duties under the Indenture of Trust, including, but not limited to, levying and collecting the Special Tax and complying with arbitrage rebate requirements and obligated persons disclosure requirements associated with applicable federal and state securities law, including the costs of any employees of the County and fees of any professionals retained by the County to provide services for such purposes; and all other costs and expenses of the County, Trustee, or Administrator incurred in connection with the discharge of their respective duties under the Indenture of Trust, as applicable, including legal expenses associated with such duties, and, in the case of the County, in any way related to the administration of the District.

**"Administrator"** means the designee of the Director of Finance for purposes of estimating the annual Special Tax Requirement and the Special Tax to be levied each Fiscal Year and for providing other services as required herein or by the Indenture of Trust.

**"Bond Year"** shall have the meaning given to such term in the Indenture of Trust.

**"Bonds"** means any bonds or other debt, including refunding bonds, whether in one or more series, issued for the District by the County pursuant to the Act.

**"Building Square Footage" or "BSF"** means the actual, or for property not yet developed, the estimated, building area either rented or directly used in the production of income (not including area within a parking garage) as shown on the building permit, architectural plans or other available documents, as estimated by the Administrator.

**"Commencement Date"** means the first Fiscal Year in which Special Taxes are levied and may be collected, which shall be the first Fiscal Year after the issuance of the Bonds.

**"County"** means Howard County, Maryland, and any authorized designee of the County for the purposes of implementing this Rate and Method of Apportionment of Special Taxes.

**"Director of Finance"** means the official of the County who is the director of finance or other comparable officer of the County or designee thereof.

**"Equivalent Unit Factors"** means the following factors for each class of property:

| | |
|---|---|
| Residential Property | 1.00 per dwelling unit |
| Retail Property | 1.10 per 1,000 BSF |
| Retail Pad Site Property | 3.23 per 1,000 BSF |
| Office Property | 1.68 per 1,000 BSF |
| Hotel Property | 0.75 per rentable room |

**"Equivalent Units"** means the Equivalent Unit Factor for Residential Property, Retail Property, Retail Pad Site Property, Office Property, and Hotel Property multiplied by the number of dwelling units of Residential Property, per 1,000 square feet of Building Square Footage for Retail Property, Retail Pad Site Property, or Office Property, and per hotel room for Hotel Property, respectively. Property shall be classified based on the class most similar to the use of the property. The computation of the Equivalent Units for each Parcel shall be based on the information available regarding the use of the Parcel, which may include acreage and reasonable density ratios, and such computation by the County shall be conclusive as long as there is a reasonable basis for such determination.

**"Fiscal Year"** means the period starting any July 1 and ending on the following June 30.

**"Hotel Property"** means property used or intended for use as hotel facilities, including any ancillary space thereto.

**"Indenture of Trust"** means the indenture of trust relating to the Bonds, as modified, amended and/or supplemented from time to time.

**"Maximum Special Tax"** means the Special Tax determined in accordance with Section B.1.

**"Office Property"** means property used or intended for use primarily as office facilities.

**"Owner Association Property"** means, for any Fiscal Year, any real property within the boundaries of the District that is owned by or irrevocably offered for dedication to a property owner's association and available for use in common by the property owners.

**“Parcel”** means a lot or parcel of real property within the District with a parcel number assigned by the Supervisor or property otherwise designated as a parcel by the County.

**“Proportionately”** means that the ratio of the Special Tax to be collected as a percent of the Adjusted Maximum Special Tax is equal for each Parcel (excluding those Parcels for which the Adjusted Maximum Special Tax is zero).

**“Public Improvements”** means those public improvements the County has authorized to be constructed for the benefit of the District and funded by the Bonds.

**“Public Property”** means property within the boundaries of the District owned by, or irrevocably offered for dedication (in a plat map approved by the County or otherwise), whether in fee simple interest or some other interest that creates an exclusive right of use, to the federal government, State of Maryland, County, any other public agency, or a public utility provider.

**“Residential Property”** means property used or intended for use as residential dwellings, including any ancillary space thereto.

**“Retail Pad Site Property”** means property consisting of retail pad sites, which may be described as a separate lot that is located within a shopping center site and used or intended for use primarily for selling goods or services to the general public.

**“Retail Property”** means property used or intended for use primarily for selling goods or services to the general public, including any ancillary space thereto.

**“Special Tax”** means the special tax levied by the County and to be collected pursuant to the terms herein.

**“Special Tax Credit”** means, for any Fiscal Year, Tax Increment Revenues to be collected from a Parcel for that Fiscal Year. For purposes of calculating the Tax Increment Revenues for each Parcel, the base year value shall be allocated to each Parcel on the basis of the assessed value of each Parcel.

**“Special Tax Requirement”** has the meaning given to it in Section C.1.

**“Supervisor”** means the Supervisor of Assessments for the County.

**“Tax Increment Fund”** means the account of such name established for the District pursuant to an ordinance enacted by the County.

**“Tax Increment Revenues”** means the amounts paid into the Tax Increment Fund each year by the County.

**“Taxable Property”** means any Parcel that is not Public Property or Owner Association Property.

**“Termination Date”** means the last Fiscal Year in which Special Taxes have been levied and may be collected as provided for in Section F.

**“Trustee”** means the trustee appointed by the County for the District to carry out the duties of the trustee specified in the Indenture of Trust.

## B. MAXIMUM SPECIAL TAXES

1. Maximum Special Tax

The Maximum Special Tax for all Taxable Property in the District for the first Fiscal Year in which Special Taxes are levied (the Commencement Date) shall be equal to $1,336,500. On each July 1 thereafter, the Maximum Special Tax shall be increased to 102 percent of the respective Maximum Special Tax in effect in the previous Fiscal Year.

The Maximum Special Tax for each Parcel shall be equal to the following formula:

$$A = (B \div C) \times D$$

Where the terms have the following meaning:

| | | |
|---|---|---|
| A | = | The Maximum Special Tax for a Parcel |
| B | = | The Equivalent Units built or expected to be built on a Parcel |
| C | = | The total Equivalent Units estimated for all of the Parcels in the District |
| D | = | The Maximum Special Tax for the District as stated above. |

2. Adjusted Maximum Special Tax

The Adjusted Maximum Special Tax for each Parcel shall be equal to the lesser of (but not less than zero) (i) the Maximum Special Tax for the Parcel and (ii) the amount calculated by the following formula:

$$A = B - C$$

Where the terms have the following meaning:

| | | |
|---|---|---|
| A | = | The Adjusted Maximum Special Tax for a Parcel |
| B | = | The Maximum Special Tax for the Parcel |
| C | = | The Special Tax Credit for the Parcel |

The Special Tax Credit applied to all Parcels shall not exceed the Tax Increment Revenues applied to the Special Tax Requirement as provided for in Section C. 1.

3. Personal Property

The special tax on personal property shall be zero.

## C. COLLECTION OF THE SPECIAL TAX

Special Taxes shall be collected each Fiscal Year from each Parcel of Taxable Property in amount calculated pursuant to the provisions of this section.

1. Special Tax Requirement

The Special Tax Requirement for any Fiscal Year shall be estimated by the Administrator and determined by the County and shall be an amount equal to (A) the amount required in any Fiscal Year to pay: (1) debt service and other periodic costs (including deposits to any sinking funds) on the Bonds to be paid from the Special Taxes collected in such Fiscal Year, (2) Administrative Expenses to be incurred in the Fiscal Year or incurred in any previous Fiscal Year and not paid by the District, (3) any amount required to replenish any reserve fund established in association with any Bonds, (4) an amount equal to the estimated delinquencies expected in payment of the Special Tax or other contingencies as deemed appropriate, and (5) the costs of remarketing, credit enhancement, bond insurance, and liquidity facility fees (including such fees for instruments that serve as the basis of a reserve fund related to any indebtedness in lieu of cash), less (B) (1) Tax Increment Revenues available to apply to the Special Tax Requirement for that Fiscal Year, (2) any credits available pursuant to the Indenture of Trust, such as capitalized interest, reserves, and investment earnings on any account balances, and (3) any other revenues available to apply to the Special Tax Requirement.

2. Calculation of Special Taxes for Each Parcel

Commencing with the Commencement Date and for each following Fiscal Year, the County shall determine the amount of Hotel Property, Office Property, Residential Property, Retail Pad Site Property, and Retail Property for each Parcel of Taxable Property. The use of the Property shall be based on information available regarding the use of the property, as approved by the County, or if a specific use for the property has not been approved by the County, as proposed to be used by the owner of the Parcel. The determination of the use of the property pursuant to this section by the County shall be conclusive.

The Equivalent Units for each Parcel of Taxable Property shall be calculated as provided for in the definition of Equivalent Units.

The Maximum Special Tax and Adjusted Maximum Special Tax calculated for each Parcel of Taxable Property is as provided for in Section B.

3. Collection of the Special Tax

Commencing with the Commencement Date and for each following Fiscal Year, the County shall determine the Special Tax Requirement, if any, for the applicable Fiscal Year and shall collect the Special Tax Proportionately on each Parcel of Taxable Property in an amount up to the Adjusted Maximum Special Tax for each Parcel such that the total of the Special Tax to be collected is equal to the Special Tax Requirement.

The Administrator shall provide an estimate to the County each Fiscal Year of the amount of the Special Tax to be collected from each Parcel in conformance with the provisions of this section.

4. Circumstances Under Which the Special Tax May be Increased as a Result of a Default

The Maximum Special Tax levied on any Parcel may not be increased regardless of the default in the collection of the Special Tax from any other Parcel. The Special Tax to be collected from a Parcel may be increased as a result of a default in the payment of the Special Tax on another Parcel pursuant to the provisions of Section C. 1. and 2. If the Special Tax to be collected from a Parcel pursuant to the provisions of Section C.1. and 2. is less than the Adjusted Maximum Special Tax for such Parcel, the Special Tax may be increased up to the Adjusted Maximum Special Tax as a result of a default in the payment of the Special Tax to be collected from another Parcel. The Special Tax to be collected from a Parcel may not exceed the Adjusted Maximum Special Tax regardless of a default in the payment of Special Taxes by any other Parcel.

## D. EXEMPTIONS

A Special Tax is not levied on and shall not be collected from Public Property or Owner Association Property.

## E. MANNER OF COLLECTION

The Special Tax will be collected in the same manner and at the same time as ordinary real property taxes; provided, however, the Special Tax may be collected at a different time or in a different manner as determined by the Director of Finance, provided that such time or manner is not inconsistent with the provisions of the Indenture of Trust.

## F. TERMINATION OF SPECIAL TAX

Except for any delinquent Special Taxes and related penalties and interest, Special Taxes shall not be collected from any Parcel after the earlier of (i) the repayment or defeasance of the Bonds, (ii) the thirtieth Fiscal Year in which Special Taxes are levied, with the first Fiscal Year being the Commencement Date, and (iii) such time provided for by the Indenture of Trust.

## G. REDUCTION IN THE MAXIMUM PROPERTY TAX RATE

The Maximum Special Tax shall be reduced by the Director of Finance once the Bonds are issued to reflect the actual rate of interest on the Bonds and the amount of Bonds actually issued, to a rate that provides for adequate Special Tax revenue to pay the debt service on the Bonds and any other expected amounts of the Special Tax Requirement as provided for in the Indenture of Trust.

## H. APPEALS OF THE LEVY OF THE SPECIAL TAX

Any property owner claiming that the amount or application of the Special Tax is not correct and requesting a refund may file a written notice of appeal and refund to that effect with the Director of Finance not later than one calendar year after the due date (i.e., July 1) for the Special Tax that is disputed. Such appeal may not affect the due date of the payment of the Special Tax. The Director of Finance, or the designee of the Director of Finance, shall promptly review all information supplied by the appellant in support of the appeal and, if necessary, meet with the property owner, and decide the appeal. If the decision of the Director of Finance requires the Special Tax to be modified or changed in favor of the property owner, a cash refund shall not be made (except for the last year of levy or unless sufficient funds will otherwise be available to meet the Special Tax Requirement), but an adjustment shall be made to the next Special Tax levy on that Parcel. The decision of the Director of Finance may be appealed to the County's Chief Administrative Officer who shall hold a hearing on the appeal and consider any written or oral evidence presented by appellant. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to any other appeal or legal action by such owner.

## I. AMENDMENTS

This Rate and Method of Apportionment of Special Taxes may be amended by the County and, to the maximum extent permitted by the Act, such amendments may be made without further notice under the Act and without notice to owners of Taxable Property within the District in order to (i) clarify or correct minor inconsistencies in the matters set forth herein, (ii) provide for lawful procedures for the collection and enforcement of the Special Tax so as to assure the efficient collection of the Special Tax for the benefit of the owners of the Bonds, and (iii) otherwise improve the ability of the County to fulfill its obligations to levy and collect the Special Tax and to make it available for the payment of the Bonds and Administrative Expenses. Any such amendment may not increase the Maximum Special Tax.

## J. INTERPRETATION OF PROVISIONS

The County shall make all interpretations and determinations related to the application of this Rate and Method of Apportionment of Special Taxes, unless stated otherwise herein or in the Indenture of Trust, and as long as there is a rational basis for the determination made by the County, such determination shall be conclusive.

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# APPENDIX C

## Proposed Form of Indenture

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**AMENDED AND RESTATED**

**INDENTURE OF TRUST**

**by and between**

**HOWARD COUNTY, MARYLAND**

**and**

**MANUFACTURERS AND TRADERS TRUST COMPANY**

**as Trustee**

**Dated as of June 1, 2024**

**$15,640,000**
**Howard County, Maryland**
**Special Obligation Refunding Bonds**
**(Annapolis Junction Town Center Project)**
**2024 Series**

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EXHIBIT A Form of Series 2024 Bond

## INDENTURE OF TRUST

**THIS AMENDED AND RESTATED INDENTURE OF TRUST** dated as of June 1, 2024, is by and between **HOWARD COUNTY, MARYLAND**, a body corporate and politic and a political subdivision of the State of Maryland (the "*County*"), and **MANUFACTURERS AND TRADERS TRUST COMPANY**, a New York banking corporation, as trustee (the "*Trustee*").

## RECITALS

Pursuant to Sections 12-201 through 12-213, inclusive, of the Economic Development Article of the Annotated Code of Maryland, as amended (the "*Tax Increment Financing Act*"), Sections 21-501 through 21-523, inclusive, of the Local Government Article of the Annotated Code of Maryland, as amended (the "*Special Taxing District Act*" and, together with the Tax Increment Financing Act, the "*Acts*"), and Section 19-207 of the Local Government Article of the Annotated Code of Maryland, as amended (the "*Refunding Act*"), the County Council of the County (the "*County Council*") adopted Resolution No. 14-2009 on May 4, 2009, as amended by Resolution No. 40-2011 adopted on May 2, 2011, and as further amended by Resolution No. 10-2013 adopted on February 4, 2013 (as so amended, the "*Resolution*"), and enacted Council Bill No. 21-2009 on May 4, 2009, as amended by Council Bill No. 14-2011 enacted on May 2, 2011 and as further amended by Council Bill No. 5-2013 enacted on February 4, 2013 (as so amended, the "*Bond Ordinance*") and, Council Bill No. 1-2024 enacted on February 5, 2024 (as so amended, the "*Refunding Bond Ordinance*," and together with the Resolution, the "*Authorizing Legislation*").

The Authorizing Legislation (i) designated an area within the County more particularly described therein to be known as the Annapolis Junction Town Center Development District (the "*Development District*") as a development district under the provisions of the Tax Increment Financing Act; (ii) designated an area within the County more particularly described therein to be known as the Annapolis Junction Town Center Special Taxing District (the "*Special Taxing District*" and, together with the Development District, the "*Districts*") as a special taxing district under the provisions of the Special Taxing District Act; (iii) created a "special fund" within the meaning of the Tax Increment Financing Act for the Development District to be known as the Annapolis Junction Town Center Development District Tax Increment Fund (the "*Tax Increment Fund*"); (iv) created a "special fund" within the meaning of the Special Taxing District Act for the Special Taxing District to be known as the Annapolis Junction Town Center Special Taxes Fund (the "*Special Taxes Fund*"); (v) pledged to the Tax Increment Fund the proceeds of the "tax increment" (as such term is used in the Tax Increment Financing Act); (vi) pledged to the Special Taxes Fund the proceeds of the special taxes to be levied by the County on certain real and personal property within the Special Taxing District, unless exempted thereby or otherwise by law, for the purposes and to the extent and manner set forth in the Rate and Method (defined herein); (vii) directed the Director of Finance of the County to deposit all taxes representing the levy on and collection of the tax increment in the Development District into the Tax Increment Fund; (viii) directed the Director of Finance of the County to deposit all Special Taxes levied and collected in the Special Taxing District into the Special Taxes Fund; (ix) authorized the County to appropriate and pledge any revenues received by the County pursuant to the BRAC Revenue Act; (x) authorized the issuance by the County of its special obligation bonds to finance the costs of certain public improvements more particularly described in the Authorizing Legislation (the "*Public Improvements*"); and (xi) authorized the County Executive of the County (the "*County Executive*") to specify and prescribe by executive order certain matters pertaining to the Series 2014 Bonds.

In accordance with the Acts, the Authorizing Legislation and the Executive Order issued by the County Executive on March 10, 2014, the County issued its Special Obligation Bonds (Annapolis Junction Town Center Project) 2014 Series in the aggregate principal amount of $17,000,000 (the "*Series 2014 Bonds*") on March 11, 2014, pursuant to the Indenture of Trust dated as of March 1, 2014 (the "*Original Indenture*") between the County and the Trustee to finance the Public Improvements.

Pursuant to the Authorizing Legislation and Section 19-207 of the Local Government Article of the Annotated Code of Maryland, as amended, on February 5, 2024, the County Council enacted the Refunding Bond Ordinance authorizing the County to issue up to $17,200,000 of its special obligation refunding bonds (the "*Series 2024 Bonds*") to refinance the cost of the Public Improvements financed with the proceeds of the Series 2014 Bonds.

The Original Indenture provides that the County and Trustee may enter into a Supplemental Indenture without notice to or consent of the Bondholders to refund any Outstanding Bonds, including the Series 2014 Bonds.

Pursuant to Sections 2.04 and 7.01 of the Original Indenture, the County and the Trustee have entered into this Supplemental Indenture referred to as the Amended and Restated Indenture of Trust (this "*Indenture*") to provide for the refunding of the Series 2014 Bonds.

On June 26, 2024, the County Executive issued an Executive Order (the "*2024 Executive Order*") in accordance with the Acts, the Refunding Act and the Authorizing Legislation pursuant to which the County Executive specified the details of the Series 2024 Bonds.

As provided in the Acts, the Refunding Act, and the Authorizing Legislation, the Series 2024 Bonds are not an indebtedness of the County for which the County is obligated to levy or pledge, or has levied or pledged, ad valorem or special taxes of the County other than the real property taxes representing the levy on the tax increment of properties located in the Development District and the special taxes contemplated by the Authorizing Legislation. The Bonds are special obligations of the County, payable from amounts in the Tax Increment Fund and the Special Taxes Fund and funds pledged therefor under this Indenture, and shall not constitute a general obligation debt of the County or a pledge of the County's full faith and credit or taxing power.

**GRANTING CLAUSES**

The County, in consideration of the premises, of the acceptance by the Trustee of the trusts hereby created, of the purchase and acceptance of the Bonds (defined herein) by the owners thereof and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, in order to secure the payment of the principal of, Redemption Price (defined herein) of and interest on the Bonds according to their tenor and effect and to secure the performance and observance by the County of all the covenants expressed or implied herein and in the Bonds, does hereby grant, bargain, sell, convey, assign and pledge, and grant a security interest in, the following to the Trustee and its successors in trust and assigns forever, subject only to the provisions of this Indenture permitting the application thereof on the terms and conditions set forth in this Indenture:

**GRANTING CLAUSE FIRST**

All of the right, title and interest of the County in and to (i) all of the Revenues (defined herein) and (ii) all moneys from time to time on deposit in the Tax Increment Fund, the Special Taxes Fund, the Series 2024 Bond Fund, the Series 2024 Debt Service Fund and the Series 2024 Debt Service Reserve Fund created pursuant to the Acts, the Refunding Act, the Authorizing Legislation and this Indenture;

**GRANTING CLAUSE SECOND**

All of the right, title and interest of the County in and to 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 conveyed, mortgaged, pledged, assigned or transferred, as and for additional security hereunder by the County or by anyone on its behalf, or with its written consent, to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof (all of the property conveyed by the foregoing granting clauses being herein referred to as the "*Trust Estate*");

**TO HAVE AND TO HOLD** all and singular the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its respective successors in trust and assigns forever upon the terms and trusts herein set forth for the equal and ratable benefit, protection and security of the Holders of the Series 2024 Bonds and, to the extent provided herein and in any Supplemental Indenture (defined herein) authorizing the issuance of Additional Bonds (defined herein), the Holders of such Additional Bonds, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any Bond over any other Bond except as expressly provided herein or permitted hereby;

**PROVIDED, HOWEVER**, that if the County shall well and truly pay, or cause to be paid, the principal or Redemption Price of and interest on the Bonds according to the true intent and meaning thereof, or shall provide for the payment thereof as permitted by Article VIII, and shall perform and observe all the covenants and conditions of this Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then, upon compliance with Article VIII, the lien of this Indenture shall be discharged and satisfied; otherwise this Indenture shall be and remain in full force and effect.

All Bonds issued and secured hereunder are to be issued, authenticated and delivered and all such property, rights and interest, including (without limitation) the amounts hereby assigned and pledged, are to be dealt with and disposed of under, upon and subject to the terms and conditions hereinafter expressed, and the County has agreed and covenanted, and does hereby agree and covenant with the Trustee and with the respective owners of the Bonds as follows (subject, however, to the provisions of Section 5.02):

## ARTICLE I

## DEFINITIONS AND RULES OF CONSTRUCTION

### Section 1.01 Definitions.

Terms used in this Indenture shall have the meanings set forth in this Section 1.01 unless a different meaning clearly appears from the context.

**"*Acts*"** means, collectively, the Tax Increment Financing Act and the Special Taxing District Act.

**"*Additional Bonds*"** means any Bonds issued by the County pursuant to Section 2.04.

**"*Administration Agreement*"** means the Agreement dated January 19, 2021, by and between the County and the Administrator, as amended from time to time.

**"*Administrative Expense Fund*"** means the "Annapolis Junction Town Center Administrative Expense Fund" established pursuant to the Original Indenture.

**"*Administrator*"** means the entity selected by the County to perform any and all tasks set forth in Section 6.16 and those tasks specified in the Administration Agreement. Initially, MuniCap, Inc. shall act as the Administrator.

**"*Annual Debt Service*"** means, for each Fiscal Year, the sum of (i) the interest due on the Outstanding Bonds in such Fiscal Year, and (ii) the principal of and the Sinking Fund Installments for the Outstanding Bonds due in such Fiscal Year.

**"*Assessable Base*"** shall have the meaning given such term in the Resolution.

**"*Assessment Ratio*"** shall have the meaning given such term in the Resolution.

**"*Authorized Denomination*"** means (i) in the case of the Series 2024 Bonds, $5,000 and integral multiples thereof and (ii) in the case of any Additional Bonds, such denomination as shall be specified in the Supplemental Indenture authorizing the issuance thereof.

**"*Authorized Officer*"** means each of the County Executive, the Chief Administrative Officer and the Director of Finance of the County and any other officer or employee designated to act on behalf of the County by a written certificate signed by the Director of Finance of the County. Such certificate may designate an alternate or alternates.

**"*Authorizing Legislation*"** means, collectively, the Resolution and the Bond Ordinance.

**"*Boise Parcel*"** means the parcel of property consisting of 5.9623 acres, more or less, owned by the Boise Maryland Business Trust and included in the Districts.

**"*Bond Counsel*"** means McGuireWoods LLP or any attorney or firm of attorneys selected by the County and nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

**"*Bond Ordinance*"** means Council Bill No. 21-2009 enacted by the County Council on May 4, 2009, approved by the County Executive on May 6, 2009 and effective on May 6, 2009, as amended by Council Bill No. 14-2011 enacted by the County Council on May 2, 2011, approved by the County Executive on July 2, 2011 and effective on July 2, 2011, and as further amended by Council Bill No. 5-2013 enacted by the County Council on February 4, 2013, approved by the

County Executive on February 8, 2013 and effective on April 10, 2013, and as further supplemented and amended from time to time.

**"*Bond Register*"** means the books for the registration and transfer of Bonds maintained by the Trustee under Section 2.06.

**"*Bonds*"** means the Series 2024 Bonds and any Additional Bonds.

**"*BRAC Revenue Act*"** means Section 2-222 of the Tax-Property Article of the Annotated Code of Maryland, as amended.

**"*Business Day*"** means any day other than a Saturday, Sunday or legal holiday in the State of Maryland observed as such by the County or the Trustee.

**"*Closing Date*"** means the date on which there is physical delivery of the Series 2024 Bonds in exchange for the purchase price thereof.

**"*Code*"** means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Series 2024 Bonds as it may be amended to apply to any Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published under the Code.

**"*Costs of Issuance*"** means items of expense payable or reimbursable directly or indirectly by the County and related to the authorization, sale and issuance of the Bonds, including (without limitation) expenses incurred by the County in connection with the establishment of the Districts.

**"*County*"** means Howard County, Maryland, a body politic and corporate and a political subdivision of the State of Maryland.

**"*County Council*"** means the County Council of Howard County, Maryland.

**"*County Executive*"** mean the County Executive of Howard County, Maryland.

**"*County Expenses*"** means the fees and expenses of the Trustee; the expenses of the County or the Administrator in carrying out its duties under this Indenture, including, but not limited to, the calculating, levying and collecting the Special Taxes and taxes levied on the Tax Increment and complying with arbitrage rebate requirements and obligated person disclosure requirements associated with applicable federal and state securities law, including the allocable costs of any employees of the County and fees of any professionals retained by the County to provide these services and allocable general administration overhead related thereto and the out-of-pocket costs and expenses of the County for any professionals retained by the County to provide services for such purpose, including without limitation, the Administrator; all other costs and expenses of the County and the Trustee incurred or advanced in connection with the discharge of their duties under this Indenture, including legal expenses associated with those duties, fees and expenses of bond counsel in connection with any opinion of bond counsel rendered pursuant to this Indenture, and in any way related to the administration of the Districts, including the costs of commencing foreclosure of delinquent Special Taxes and taxes levied on the Tax Increment; any amounts required to be rebated by the United States of America to comply with the arbitrage rebate requirements applicable to the Bonds, including payments in lieu of rebate; fees payable for any bond insurance or other financial guaranty or credit enhancement with respect to any Bonds or under this Indenture, including without limitation any credit facility for any reserve fund; any unpaid cost or expense of the County, including without limitation fees and expenses of legal counsel and any professionals retained by the County, for which the County is entitled to indemnification pursuant to a development agreement or other similar agreement relating to the Districts incurred in connection with the defense by the County or the bringing by the County of any claim, demand, suit or cause of action relating to the issuance of any Bonds, the establishment of the District, the levy or collection of Special Tax or any other matters related thereto; any fees, expenses or costs included in the definition of Administrative Expenses as set forth in the Rate and Method and not specifically included herein; amounts payable to a Rating Agency in connection with the application for and maintenance of a rating on any Series of Bonds; all other costs and expenses of the County, the Trustee, and the Administrator incurred in connection with the discharge of their respective duties, including legal fees and expenses associated with such duties.

***"County Public Improvements"*** means the Public Improvements constructed on the State Property and the Boise Parcel which are dedicated to public use.

***"Debt Service"*** means the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

***"Developer"*** means Annapolis Junction Town Center, LLC, a Maryland limited liability company, its successors and permitted assigns.

***"Development District"*** means the Annapolis Junction Town Center Development District established pursuant to the Resolution.

***"Disclosure Agreements"*** means, collectively, (i) the County Continuing Disclosure Agreement between the County, the Trustee and the Administrator dated as of June 1, 2024 and (ii) the Developer Continuing Disclosure Agreement between the Developer and the Administrator dated as of June 1, 2024, in each case as such shall be supplemented and amended from time to time in accordance with their respective terms.

***"Districts"*** means, collectively, the Development District and the Special Taxing District, which are coterminous.

***"Fiscal Year"*** means the twelve-month period extending from July 1 in a calendar year to June 30 of the succeeding calendar year, both dates inclusive.

***"Fitch"*** means Fitch Ratings and any successor thereto.

***"Government Obligations"*** means direct obligations of the United States of America or other obligations, the timely payment of the principal of and the interest on which the United States of America has pledged its faith and credit.

**"*Holder*,"** or **"*holder*"** or **"*Bondholder*"** means any person who shall be the registered owner of any Outstanding Bond.

***"Indenture"*** means this Supplemental Indenture entitled the "Amended and Restated Indenture of Trust," as it may be amended or supplemented from time to time by any other Supplemental Indenture adopted pursuant to the provisions hereof.

***"Interest Payment Date"*** means (i) with respect to the Series 2024 Bonds, February 15 and August 15 of each year, commencing August 15, 2024, and (ii) with respect to any Additional Bonds, the dates established in the Supplemental Indenture authorizing the issuance thereof.

***"Maximum Annual Debt Service"*** means, as of any date of calculation, the largest Annual Debt Service for the then-current or any Fiscal Year after such date of calculation.

***"Moody's"*** means Moody's Investors Service, Inc. and any successor thereto.

***"Officer's Certificate"*** means a written certificate of the County signed by an Authorized Officer.

***"Opinion of Bond Counsel"*** means, when used with respect to or in connection with any action, a written opinion of Bond Counsel to the effect that such action will not adversely affect the excludability from gross income, for federal income tax purposes, of interest paid on any Tax-Exempt Bonds theretofore issued.

***"Original Indenture"*** means the Indenture of Trust dated as of March 1, 2014 between the County and the Trustee.

***"Original Taxable Value"*** shall have the meaning given such term in the Resolution.

***"Outstanding"*** or "***outstanding***" means, as of any particular date, all Bonds authenticated and delivered under the Indenture except (i) any Bond canceled by the Trustee (or delivered to the Trustee for cancellation) at or before such date, (ii) any Bond for the payment of the principal or Redemption Price of and interest on which provision shall have been made as provided in Section 8.01 and (iii) any Bond in lieu of or in substitution for which a new Bond shall have been authenticated and delivered pursuant to Article II or Section 7.03.

***"Paying Agent"*** means the Trustee in its capacity as paying agent for the Bonds.

***"Permitted Investments"*** means any of the following which at the time of investment are legal investments under the laws of the State of Maryland for funds held by the Trustee or the County (as the case may be):

(a) Government Obligations;

(b) obligations that a federal agency or a federal instrumentality has issued in accordance with an Act of Congress;

(c) an obligation issued and unconditionally guaranteed by a supranational issuer denominated in United States dollars and eligible to be sold in the United States;

(d) banker's acceptances guaranteed by a financial institution with a short-term debt rating in the highest rating category of at least one Rating Agency;

(e) any investment portfolio created under the Maryland Local Government Investment Pool defined under Sections 17-301 through 17-309 of the Local Government Article of the Annotated Code of Maryland, as amended, that is administered by the Office of the State Treasurer;

(f) commercial paper which is rated at the time of purchase in the highest rating category of at least two Rating Agencies, *provided that* such commercial paper may not exceed 10% of the total Permitted Investments;

(g) investments in a money market mutual fund registered with the Securities and Exchange Commission under the Investment Company Act of 1940, as amended, operated in accordance with Rule 2A-7 of the Investment Company Act of 1940, as amended, and rated in the highest rating category of at least one Rating Agency;

(h) bonds, notes or other obligations issued by or on behalf of any state of the United States of America or of any agency, department, county, municipal or public corporation, special district, authority or political subdivision thereof which are rated in the highest rating category of at least one Rating Agency or any fund or trust that invests only in such securities; and

(i) any repurchase agreement with a financial institution the long-term unsecured debt obligations or claims-paying ability of which (or the guarantor of which) is rated in one of the two highest rating categories of at least one Rating Agency at the time of execution of such contract or agreement, provided that (i) such contract or agreement is collateralized by obligations described in paragraph (a) and/or (b), (ii) all such collateral is held by the Trustee or a third party custodian, (iii) the market value is not less than 102% of the principal invested, (iv) moneys invested thereunder may be withdrawn without penalty, premium or charge, for use in accordance with this Indenture, upon not more than seven days' notice, (v) the contract or agreement is not subordinated to any other obligation of the provider thereof, (vi) the Trustee receives an opinion of counsel to the effect that such contract or agreement and any guaranty are enforceable obligations of such provider; and (vii) the agreement provides that the provider or the guarantor (as the case may be) must promptly notify the Trustee if the rating assigned by at least one Rating Agency to its long-term unsecured debt obligations or claims-paying ability, as applicable, is suspended, withdrawn or reduced by at least one Rating Agency.

Notwithstanding the foregoing, if the Trustee receives written notice that, by reason of a rating withdrawal or downgrade or otherwise, any investment no longer satisfies the description of a Permitted Investment, the Trustee shall immediately liquidate such investment, notify the County of such liquidation, and reinvest the proceeds of such liquidation in another Permitted Investment pursuant to Section 4.08.

***"Public Improvements"*** means the public infrastructure improvements described in the Authorizing Legislation, comprised of the County Public Improvements and the State Public Improvements, which are eligible to be refinanced with the proceeds of the Series 2024 Bonds.

***"Rate and Method"*** means the Rate and Method of Apportionment of Special Taxes included as Exhibit A to the Bond Ordinance, as amended and supplemented from time to time.

***"Rating Agency"*** means Fitch, Moody's or S&P, or any other nationally recognized securities rating agency.

***"Record Date"*** means the close of business on the first day of the calendar month in which the Interest Payment Date occurs, whether or not such day is a Business Day.

***"Redemption Price"*** means, when used with respect to any Bond or portion thereof, the principal amount of such Bond or such portion thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to this Indenture.

"***Refunding Act***" means Section 19-207 of the Local Government Article of the Annotated Code of Maryland, as amended.

***"Refunding Bond Ordinance"*** means Council Bill No. 1-2024, enacted by the County Council on February 5, 2024, approved by the County Executive on February 7, 2024 and effective on February 7, 2024, as further supplemented and amended from time to time.

***"Reserve Requirement"*** means (i) when used with respect to the Series 2024 Bonds or the Series 2024 Debt Service Reserve Fund maintained for the Series 2024 Bonds, an amount equal to the least of (a) 10% of the original principal amount of the Series 2024 Bonds, (b) 125% of the average Annual Debt Service on the Series 2024 Bonds outstanding as of the Closing Date, or (c) the Maximum Annual Debt Service on the Series 2024 Bonds outstanding as of the date of determination, (ii) when used with respect to any separate reserve fund established for any Series of Additional Bonds, in accordance with Section 2.04, the amount set forth in the Supplemental Indenture providing for the creation thereof and (iii) when used with respect to the Series 2024 Debt Service Reserve Fund for any Series of Additional Bonds, in accordance with Section 2.04, the amount set forth in the Supplemental Indenture providing for the creation thereof.

***"Resolution"*** means Resolution No. 14-2009 adopted by the County Council on May 4, 2009, as amended by Resolution No. 40-2011 adopted by the County Council on May 2, 2011 and as further amended by Resolution No. 10-2013 adopted by the County Council on February 4, 2013, as further supplemented and amended from time to time.

***"Revenues"*** means, collectively, the Tax Increment Revenues and the Special Tax Revenues.

***"S&P"*** means S&P Global Ratings, and any successor thereto.

***"Section 148 Certificate"*** has the meaning ascribed to such term in Section 5.08.

"***Section 148 Certifying Officials***" means the County Executive and Director of Finance of the County.

***"Securities Depository"*** has the meaning ascribed to such term in Section 2.09.

***"Series"*** means any series of Bonds issued hereunder.

"***Series 2014 Bonds***" means the "Howard County, Maryland Special Obligation Bonds (Annapolis Junction Town Center Project) 2014 Series" issued in the original aggregate principal amount of $17,000,000.

***"Series 2024 Bonds"*** means the Bonds so designated and authorized to be issued under Section 2.01.

***"Series 2024 Bond Fund"*** means the "Howard County, Maryland 2024 Series Annapolis Junction Town Center Bond Fund" established pursuant to Section 4.01.

***"Series 2024 Costs of Issuance Fund"*** means the "Howard County, Maryland 2024 Series Annapolis Junction Town Center Costs of Issuance Fund" established pursuant to Section 4.01.

"***Series 2024 Debt Service Fund***" means the "Howard County, Maryland 2024 Series Annapolis Junction Town Center Debt Service Fund" established pursuant to Section 4.01.

***"Series 2024 Debt Service Reserve Fund"*** means the "Howard County, Maryland 2024 Series Annapolis Junction Town Center Reserve Fund" established pursuant to Section 4.01.

***"Sinking Fund Installment"*** means the amount of money provided in this Indenture to redeem or pay at maturity Term Bonds at the times and in the amounts provided in this Indenture. The Sinking Fund Installments for the Series 2024 Bonds are set forth in Section 3.01.

***"Special Record Date"*** means a subsequent date fixed by the Trustee that is at least 10 and not more than 15 days before the date set for the payment of any defaulted interest.

***"Special Tax Revenues"*** means the revenues and receipts from the Special Taxes received by the County, including any scheduled payments thereof, interest thereon and the net proceeds of redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes equal to the amount of such lien and interest thereon, including any penalties collected in connection with delinquent Special Taxes but excluding any expenses of sale or any other administrative expenses collected by the County in connection with such delinquent taxes.

***"Special Taxes"*** means the special taxes levied within the Special Taxing District pursuant to the Special Taxing District Act, the Bond Ordinance and this Indenture and in accordance with the Rate and Method.

***"Special Taxes Fund"*** means the Annapolis Junction Town Center Special Taxes Fund established by the Resolution and held by the County.

***"Special Taxing District"*** means the Annapolis Junction Town Center Special Taxing District established pursuant to the Resolution.

***"Special Taxing District Act"*** means Sections 21-501 through 21-523, inclusive, of the Local Government Article of the Annotated Code of Maryland, as supplemented and amended from time to time.

***"State"*** means the State of Maryland.

***"State Property"*** means approximately 9.2993 acres of property conveyed by the State to the Developer in connection with the Series 2014 Bonds.

***"State Public Improvements"*** means the Public Improvements constructed on the State Reserved Property and other property owned by the State.

***"State Reserved Property"*** means the approximately 3.4104 acres of property owned by the State on which the Developer constructed a parking facility in connection with the Series 2014 Bonds.

***"Supplemental Indenture"*** means an indenture amendatory of or supplemental to this Indenture, but only if and to the extent that such indenture is specifically authorized hereunder.

***"Tax-Exempt Bonds"*** means the Series 2024 Bonds and any other Bonds with respect to which there shall have been delivered to the County an opinion of Bond Counsel to the effect that the interest on such Bonds is excludable from gross income for federal income tax purposes.

***"Tax Increment"*** means, for any tax year, the amount by which the Assessable Base of all real property in the Development District as of January 1 preceding that tax year exceeds the Original Taxable Value of all real property in the Development District, divided by the Assessment Ratio used to determine the Original Taxable Value.

***"Tax Increment Financing Act"*** means Sections 12-201 through 12-213, inclusive, of the Economic Development Article of the Annotated Code of Maryland, as supplemented and amended from time to time.

***"Tax Increment Fund"*** means Annapolis Junction Town Center Tax Increment Fund established by the Resolution and held by the County.

***"Tax Increment Revenues"*** means the revenues and receipts from the property taxes representing the levy on the Tax Increment that would normally be paid to the County, including any scheduled payments thereof, interest thereon and a portion of the net proceeds of the redemption or sale of property sold as a result of foreclosure of the lien equal to the amount of such lien and interest thereon, including any penalties collected in connection with delinquent taxes but excluding any expenses of sale or any other administrative expenses collected by the County in connection with such delinquent taxes, in each case to the extent attributable to such levy. No State real property taxes constitute Tax Increment Revenues.

***"Term Bonds"*** means the Bonds of any Series payable prior to or at their stated maturity from Sinking Fund Installments.

***"Trustee"*** means Manufacturers and Traders Trust Company, a New York banking corporation, and its successors, and any other corporation that may at any time be substituted in its place as provided in Section 6.10.

***"Underwriter"*** means, with respect to the Series 2024 Bonds, Mesirow Financial, Inc., and, with respect to any Additional Bonds, the firms or corporations named as the Underwriter of any Additional Bonds in any Supplemental Indenture authorizing the issuance of such Additional Bonds.

"***2014 Debt Service Fund***" means the "Howard County, Maryland 2014 Series Annapolis Junction Town Center Debt Service Fund" established pursuant to the Original Indenture.

"***2014 Reserve Fund***" means the "Howard County, Maryland 2014 Series Annapolis Junction Town Center Reserve Fund" established pursuant to the Original Indenture.

***"2024 Executive Order"*** means the Executive Order issued by the County Executive on June 26, 2024.

**Section 1.02 Rules of Construction.**

Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this Indenture:

(a) Words importing the singular number include the plural number and words importing the plural number include the singular number.

(b) Words of the masculine gender include correlative words of the feminine and neuter genders.

(c) The headings and the table of contents set forth in this Indenture are solely for convenience of reference and shall not constitute a part of this Indenture, nor shall they affect its meaning, construction or effect.

(d) Words importing persons include any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or agency or political subdivision thereof.

(e) Any reference to a particular percentage or proportion of the holders of Bonds shall mean the holders at the particular time of the specified percentage or proportion in aggregate principal amount of all Bonds then Outstanding under this Indenture, except Bonds held by or for the account of the County, whether or not pledged to or by the County; however, Bonds so pledged may be regarded as Outstanding for the purposes of this paragraph if the pledgee establishes to the satisfaction of the Trustee the pledgee's right to vote such Bonds. Any reference herein to Bonds of which the consent or direction of a specified proportion of the holders of such Bonds is required or permitted prior to the taking of any action hereunder shall mean the holders of such proportion of Outstanding Bonds as shall be affected thereby.

(f) Any reference to a particular Article or Section shall be to such Article or Section of this Indenture unless the context shall require otherwise.

## ARTICLE II

## AUTHORIZATION AND DETAILS OF THE BONDS; ADDITIONAL BONDS

**Section 2.01 Series 2024 Bonds Authorized.**

There is hereby authorized the issuance under this Indenture of a Series of Bonds in the aggregate principal amount of Fifteen Million Six Hundred Forty Thousand Dollars ($15,640,000) which shall be designated "Howard County, Maryland Special Obligation Refunding Bonds (Annapolis Junction Town Center Project), 2024 Series," for the purpose of effecting the refunding of all or a portion of the outstanding Series 2014 Bonds.

**Section 2.02 Details of Bonds; Form of Bonds.**

The Series 2024 Bonds shall be issued as fully registered bonds without coupons in Authorized Denominations. The Series 2024 Bonds shall bear interest at the rates set forth in the table below (calculated on the basis of a 360-day year consisting of twelve 30-day months) and shall mature on February 15 in the years and the amounts as follows:

| Year | Principal Amount | Interest Rate | Year | Principal Amount | Interest Rate |
|---|---|---|---|---|---|
| 2025 | $595,000 | 5.000% | 2033 | $ 615,000 | 5.000% |
| 2026 | 285,000 | 5.000 | 2034 | 675,000 | 5.000 |
| 2027 | 325,000 | 5.000 | 2035 | 735,000 | 5.000 |
| 2028 | 365,000 | 5.000 | 2036 | 800,000 | 5.000 |
| 2029 | 410,000 | 5.000 | 2037 | 870,000 | 5.000 |
| 2030 | 455,000 | 5.000 | 2038 | 950,000 | 5.000 |
| 2031 | 510,000 | 5.000 | 2039 | 1,025,000 | 5.000 |
| 2032 | 560,000 | 5.000 | 2044 | 6,465,000 | 5.000 |

All interest due on each Series 2024 Bond shall be payable to the person in whose name such Series 2024 Bond is registered on the Bond Register as of the Record Date and shall be made by check mailed to the address of such owner as it appears on the Bond Register; provided, that if there is a default in the payment of interest due on any Series 2024 Bond, such defaulted interest shall be payable to the person in whose name such Series 2024 Bond is registered as of the close of business on the Special Record Date. Notice of any Special Record Date will be given to the registered owners of the Series 2024 Bonds not later than 10 days before the Special Record Date.

The Series 2024 Bonds shall be subject to redemption prior to maturity in accordance with Section 3.01, and shall otherwise have the terms, tenor, denominations, details and specifications as set forth in the form of Series 2024 Bond attached hereto as Exhibit A.

The Bonds of any Series of Additional Bonds shall bear interest, be subject to redemption prior to maturity and shall otherwise have the terms, tenor, denominations, details and specifications as set forth in Section 2.04 and in the Supplemental Indenture authorizing the issuance of such Additional Bonds.

The principal of the Bonds shall not be subject to acceleration, provided that nothing in this Section shall in any way prohibit the prepayment or redemption of Bonds under Article III, or the defeasance of the Bonds and discharge of this Indenture under Section 8.01.

The Series 2024 Bonds shall be substantially in the form set forth in Exhibit A attached hereto and made a part hereof, with such insertions, omissions and variations as may be deemed necessary or appropriate by the officers of the County executing the same and as shall be permitted by the Acts, the Refunding Act, and the Authorizing Legislation. The County hereby adopts the form of Series 2024 Bond set forth in Exhibit A, and all of the covenants and conditions set forth therein, as and for the form of obligation to be incurred by the County as the Series 2024 Bonds. The covenants and conditions set forth in such form are incorporated into this Indenture by reference and shall be binding upon the County as though set forth in full herein.

The Bonds may contain, or have endorsed thereon, any notations, legends or endorsements not inconsistent with the provisions of this Indenture or of any Supplemental Indenture authorizing the same as may be necessary or desirable and as may be determined by the officers of the County executing the Bonds prior to the authentication and delivery of such Bonds. The execution and delivery of the Bonds by the County in accordance with this Indenture shall be conclusive evidence of the approval of the form of such Bonds by the County, including any insertions, omissions, variations, notations, legends or endorsements authorized by this Indenture.

The Bonds shall be numbered in the manner determined by the Trustee. Before authenticating and delivering any Bond, the Trustee shall complete the form of such Bond to show the registered owner, principal amount, interest rate, maturity date, number and authentication date of such Bond as directed by the County in writing.

The printing of CUSIP numbers on the Bonds shall have no legal effect and shall not affect the enforceability of any Bond.

Promptly upon meeting the requirements for a reduction in the Authorized Denomination as set forth in the definition of such term in Section 1.01, the County shall provide written notice thereof to the Trustee.

**Section 2.03 Conditions Precedent to Delivery of Series 2024 Bonds.**

The Series 2024 Bonds shall be executed by the County and delivered to the Trustee, whereupon the Trustee shall authenticate the Series 2024 Bonds and, upon payment of the purchase price of the Series 2024 Bonds, shall deliver the Series 2024 Bonds upon the order of the County, but only upon delivery to the Trustee of:

(a) duly certified copies of the Authorizing Legislation and the 2024 Executive Order;

(b) original executed counterparts of this Indenture;

(c) a request and authorization executed by an Authorized Officer directing the authentication and delivery of the Series 2024 Bonds, designating the purchasers to whom the Series 2024 Bonds are to be delivered, stating the purchase price of the Series 2024 Bonds and stating that all items required by this Section are therewith delivered to the Trustee in form and substance satisfactory to the County;

(d) an opinion of Bond Counsel to the effect that the (i) this Indenture is in full force and effect and is valid and binding upon the County and (ii) County is duly authorized and entitled to issue the Series 2024 Bonds and, upon the execution, authentication and delivery thereof as provided in this Indenture, the Series 2024 Bonds will be duly and validly issued and will constitute valid and binding special obligations of the County;

(e) with respect to any Series 2024 Bonds which are Tax-Exempt Bonds, an opinion of Bond Counsel to the effect that, subject to customary exceptions and qualifications, interest on such Series 2024 Bonds is not includable in the gross income of the holders thereof for federal income tax purposes;

(f) a receipt from the Underwriter acknowledging receipt of the Series 2024 Bonds;

(g) a certificate of the Underwriter setting forth the Reserve Requirement for the Series 2024 Bonds;

(h) an Officer's Certificate to the effect that upon the issuance of the Series 2024 Bonds, no default under this Indenture shall have occurred and be continuing; and

(i) a certificate from an Authorized Officer stating that, after giving effect to the refunding, Annual Debt Service during any year prior to the maturity of any outstanding Bonds theretofore issued and outstanding will not be increased by more than 10% and providing reasonably detailed substantiation of such statement.

**Section 2.04 Authorization of Additional Bonds; Conditions Precedent to Delivery of Additional Bonds.**

In addition to the Series 2024 Bonds, the County may issue from time to time Additional Bonds under and secured by this Indenture, subject to the further provisions of this Section to refund or advance refund any Outstanding Bonds. The issuance of Additional Bonds shall be authorized by a Supplemental Indenture, which shall specify all matters required to be provided in this Section.

Each Series of Additional Bonds shall be on a parity with, and shall be entitled to the same benefit and security of this Indenture as the Series 2024 Bonds and any other Series of Additional Bonds that may be issued from time to time, to the extent provided in this Section.

The Supplemental Indenture authorizing the issuance of any Series of Additional Bonds shall specify the maturities and redemption provisions of such Additional Bonds, the form, denominations, registration provisions and provisions for the exchange of such Additional Bonds and other details of such Additional Bonds. Any Supplemental Indenture authorizing the issuance of Additional Bonds may provide for the creation of a separate costs of issuance fund, reserve fund or debt service fund for such Additional Bonds.

Any Supplemental Indenture authorizing the issuance of Additional Bonds may provide that (i) such Series of Additional Bonds shall be secured by the Series 2024 Debt Service Reserve Fund maintained for the Series 2024 Bonds, (ii) such Series of Additional Bonds shall not be secured by a reserve fund, or (iii) such Series of Additional Bonds shall be secured by a separate reserve fund.

If any Supplemental Indenture authorizing the issuance of any Series of Additional Bonds provides that such Additional Bonds shall be secured by the Series 2024 Debt Service Reserve Fund maintained for the Series 2024 Bonds, such Supplemental Indenture shall provide for the deposit in the Series 2024 Debt Service Reserve Fund on the date of issuance of such Additional Bonds of the amount, if any, necessary to make the amount on deposit therein equal to the Reserve Requirement on all Bonds secured thereby, after giving effect to the issuance of such Additional Bonds. Such Supplemental Indenture may provide that the amount of any increase in the Reserve Requirement resulting from the issuance of such Additional Bonds shall be applied to the final payments of the principal or Redemption Price of such Additional Bonds.

If the Supplemental Indenture authorizing the issuance of any Additional Bonds provides that such Series of Additional Bonds shall be secured by a separate reserve fund, such Supplemental Indenture shall (i) establish the amount of the Reserve Requirement for such reserve fund, (ii) provide the period during which any deficiency shall be cured, which shall be a period of not less than 12 months except in the case of any deficiency resulting from a decline in the value of the assets of such reserve fund, (iii) contain provisions with respect to the issuance of any other Additional Bonds secured by such reserve fund and (iv) provide such terms with respect to the valuation of such reserve fund and the application of any earnings on or surpluses in such reserve fund as the County shall deem appropriate, any other provision of this Indenture to the contrary notwithstanding. If a separate reserve fund is created for any Series of Bonds, the Reserve Requirement shall be calculated separately for each Series of Bonds for which a separate reserve fund is maintained.

If any Supplemental Indenture authorizing the issuance of Additional Bonds provides for the establishment of separate funds and accounts for any Series of Bonds, then such Supplemental Indenture shall require that (i) amounts on deposit in the Tax Increment Fund and the Special Taxes Fund on any date shall be transferred *pro rata* as to time and amount among the debt service funds on the basis of the principal of, the Sinking Fund Installments for and the interest on the Series of Bonds secured thereby due on such date, (ii) amounts on deposit in the Tax Increment Fund and the Special Taxes Fund required to be transferred to the reserve funds on any date shall be allocated *pro rata* as to time and amount among all reserve funds on the basis of the respective aggregate principal amounts of the Bonds Outstanding secured by such reserve funds, and (iii) that amounts on deposit in the funds and accounts created for particular Series of Bonds available for the payment of any Bonds shall be applied solely to the payment of the principal or Redemption Price of and interest on, or the purchase price of, the Bonds of such Series and shall not be available to satisfy the claims of Holders of Bonds of any other Series.

The Bonds of each Series of Additional Bonds shall be executed by the County and delivered to the Trustee, whereupon the Trustee shall authenticate such Additional Bonds and deliver such Additional Bonds to or upon the order of the County, but only upon receipt by the Trustee of the purchase price of such Additional Bonds and each of the following:

(a) executed counterparts of the applicable Supplemental Indenture authorizing the issuance of such Additional Bonds;

(b) a certified copy of an ordinance enacted by the County Council and approved by the County Executive authorizing the issuance of such Additional Bonds pursuant to the Acts, the Refunding Act, and an Executive Order of the County Executive specifying the principal amount of such Additional Bonds and other matters relative thereto;

(c) an Officer's Certificate to the effect that upon the issuance of such Additional Bonds, no default under this Indenture shall have occurred and be continuing;

(d) an opinion of Bond Counsel to the effect that (i) the Supplemental Indenture authorizing the issuance of such Additional Bonds is in full force and effect and is valid and binding upon the County; (ii) the County is duly authorized and entitled to issue such Additional Bonds and, upon the execution, authentication and delivery thereof as provided in such Supplemental Indenture, such Additional Bonds will be duly and validly issued and will constitute valid and binding special obligations of the County; (iii) the issuance of such Additional Bonds will not adversely affect the excludability from gross income, for federal income tax purposes, of interest paid on any Tax-Exempt Bonds theretofore issued; and (iv) with respect to any Additional Bonds which are Tax-Exempt Bonds, an opinion of Bond Counsel to the effect that, subject to customary exceptions and qualifications, interest on such Additional Bonds is not includable in the gross income of the holders thereof for federal income tax purposes;

(e) a request and authorization executed by an Authorized Officer directing the authentication and delivery of such Additional Bonds, designating the purchasers to whom such Additional Bonds are to be delivered, stating the purchase price of such Additional Bonds and stating that all items required by this Section are therewith delivered to the Trustee in form and substance satisfactory to the County;

(f) moneys or securities authorized for the investment of the reserve fund in an amount equal to the amount, if any, required to make the amount on deposit in the reserve fund equal the Reserve Requirement upon the issuance of such Additional Bonds;

(g) a certificate from an Authorized Officer stating that, after giving effect to any refunding or advance refunding, Annual Debt Service during any year prior to the maturity of any outstanding Bonds theretofore issued and outstanding will not be increased by more than 10% and providing reasonably detailed substantiation of such statement; and

(h) a certificate of the Underwriter setting forth the amount of the Reserve Requirement, if any, for such Additional Bonds.

Additional Bonds may be authenticated, delivered and paid for in installments of less than the total authorized principal amount of a Series of Bonds from time to time as the County may direct in its orders.

**Section 2.05 Execution and Authentication.**

The Bonds shall be executed in the name and on behalf of the County by the manual or facsimile signatures of the County Executive and the Director of Finance of the County, and the seal (or a facsimile thereof) of the County shall be affixed to, or otherwise reproduced on, the Bonds and attested by the manual or facsimile signature of the Chief Administrative Officer of the County. In case any officer whose manual or facsimile signature appears on the Bonds shall cease to be such officer before delivery of such Bonds, such signature, nevertheless, shall be valid and sufficient for all purposes as if such officer had remained in office until such delivery, and the County may adopt and use for the execution of Bonds the manual or the facsimile signature of any person who shall have been at the time the proper officer to execute such Bonds, notwithstanding the fact that such person may not have been such officer on the date of such Bonds or that such person may have ceased to be such officer at the time when such Bonds shall be actually authenticated and delivered.

No Bond shall be valid or obligatory for any purpose or entitled to any right or benefit hereunder unless there shall be endorsed on such Bond a certificate of authentication substantially in the form set forth in Exhibit A attached to this Indenture and made a part hereof or the form set forth in the Supplemental Indenture authorizing the issuance thereof (as the case may be), duly executed by the Trustee, and such certificate of the Trustee upon any Bond executed on behalf of the County shall be conclusive evidence and the only evidence required that the Bond so authenticated has been duly issued hereunder and that the Holder thereof is entitled to the benefits of this Indenture. The certificate of the Trustee may be executed by any authorized signatory of the Trustee.

**Section 2.06 Registration and Exchange of Bonds.**

The Bonds shall be negotiable instruments for all purposes and shall be transferable by delivery, subject only to the provisions for registration and registration of transfer endorsed on the Bonds.

The County shall cause books for registration and the registration of transfer of Bonds to be prepared and maintained by the Bond Registrar.

If any Bond is surrendered to the Trustee at its designated office for transfer or exchange in accordance with the provisions of such Bond, the County shall execute and authenticate and the Trustee shall authenticate and deliver in exchange for such Bond a new Bond or Bonds of the same Series, in any Authorized Denominations, bearing interest at the same rate and having the same stated maturity date, in aggregate principal amount equal to the principal amount of the Bond so surrendered, upon reimbursement to the County and the Trustee of an amount equal to any tax or other governmental charge required to be paid with respect to such exchange.

Neither the County nor the Trustee shall be required to register the transfer of any Bond or make any such exchange of any Bond during the 15 days preceding an Interest Payment Date applicable to such Bond, during the 15 days preceding the date of mailing of any notice of redemption or after such Bond has been called for redemption, except as otherwise provided in any Supplemental Indenture.

**Section 2.07 Bonds Mutilated, Destroyed, Lost or Stolen.**

If any temporary or definitive Bond shall become mutilated or be destroyed, lost or stolen, the County in its discretion may execute, and upon its request the Trustee shall authenticate and deliver, a new Bond in exchange for the mutilated Bond, or in lieu of and substitution for the Bond so destroyed, lost or stolen. In every case of exchange or substitution, the applicant shall furnish to the County and to the Trustee (i) evidence to their satisfaction of the mutilation, destruction, loss or theft of the applicant's Bond and of the ownership thereof and (ii) in the case of any destroyed, lost or stolen Bond, such security or indemnity as may be required by them to save each of them harmless from all risks, however remote. Upon the issuance of any Bond upon such exchange or substitution, the County may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses, including counsel fees and expenses, of the County or the Trustee.

If any Bond that has matured or is about to mature shall become mutilated or be destroyed, lost or stolen, instead of issuing a Bond in exchange or substitution therefor, the County may pay or authorize the payment of such Bond (without surrender thereof except in the case of a mutilated Bond) if the applicant for such payment shall furnish to the County and to the Trustee evidence to the satisfaction of the County and to the Trustee of the mutilation, destruction, loss or theft of such Bond and of the ownership thereof and, in the case of any destroyed, lost or stolen Bond, such security or indemnity as they may require to save them harmless.

Every Bond issued pursuant to the provisions of this Section in exchange or substitution for any Bond that is mutilated, destroyed, lost or stolen shall constitute an additional contractual obligation of the County, whether or not the destroyed, lost or stolen Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits hereof equally and proportionately with any and all other Bonds duly issued under this Indenture. All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds, and shall preclude any and all other rights or remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

**Section 2.08 Cancellation and Disposition of Bonds.**

All mutilated Bonds, all Bonds surrendered for exchange or transfer, all Bonds that have been paid at maturity or upon prior redemption and all Bonds surrendered to the Trustee for cancellation or purchased by the Trustee shall be canceled by the Trustee and cremated or destroyed by other means. The Trustee shall deliver to the County a certificate of any such cremation or other destruction of any Bond, identifying the Bond so canceled and cremated or otherwise destroyed.

**Section 2.09 Book Entry of Bonds.**

The provisions of this Section shall apply to the Bonds of each Series so long as such Bonds shall be maintained under a book-entry system with The Depository Trust Company, or any other securities depository for the Bonds appointed pursuant to this Section, or their successors (a "*Securities Depository*"), any other provisions of this Indenture to the contrary notwithstanding. The Series 2024 Bonds shall be maintained under a book-entry system with a Securities Depository.

(a) The principal or Redemption Price of and interest on the Bonds shall be payable to the Securities Depository, or registered assigns, as the registered owner of the Bonds, in same day funds on each date on which the principal or Redemption Price of or interest on the Bonds becomes due. Such payments shall be made to the offices of the Securities Depository specified by the Securities Depository to the County and the Trustee in writing. Without notice to or the consent of the beneficial owners of the Bonds, the County and the Securities Depository may agree in writing to make payments of principal and interest in a manner different from that set out herein. In such event, the County shall give the Trustee notice thereof, and the Trustee shall make payments with respect to the Bonds in the manner specified in such notice as if set forth herein. Neither the County nor the Trustee shall have any obligation with respect to the transfer or crediting of the appropriate principal and interest payments to any participant of any Securities Depository (a "*Participant*") or the beneficial owners of the Bonds or their nominees.

(b) In the event that part but not all of any outstanding Bond is to be retired (by redemption or otherwise), the Securities Depository, in its discretion (i) may request the Trustee to authenticate and deliver a new Bond in accordance with Section 3.04 upon presentation and surrender of such Bond to the Trustee or (ii) shall make appropriate notation on the Bond indicating the date and amount of each principal payment, provided that payment of the final principal amount of any Bond shall be made only upon presentation and surrender of such Bond to the Trustee.

(c) So long as the Securities Depository or its nominee is the registered owner of the Bonds, the County and the Trustee will recognize the Securities Depository or its nominee (as the case may be) as the holder of the Bonds for all purposes, including (without limitation) the payment of the principal or Redemption Price of and interest on the Bonds, the giving of notices and any consent or direction required or permitted to be given to, or on behalf of, the holders of the Bonds under this Indenture.

(d) The County, in its discretion, at any time may replace any Securities Depository as the depository for the Bonds with another qualified securities depository or discontinue the maintenance of the Bonds under a book-entry system upon 30 days' notice to the Securities Depository (or such fewer number of days as shall be acceptable to such Securities Depository). A copy of any such notice shall be delivered promptly to the Trustee.

(e) If the County discontinues the maintenance of the Bonds under a book-entry system, the County will issue Bonds directly to the Participants or, to the extent requested by any Participant, to the beneficial owners of Bonds as further described in this Section. The County shall make provision to notify Participants and the beneficial owners of the Bonds, by mailing an appropriate notice to the Securities Depository, or by other means deemed appropriate by the County in its discretion, that it will issue Bonds directly to the Participants or, to the extent requested by any Participant, to beneficial owners of Bonds as of a date set forth in such notice, which shall be a date at least 10 days after the date of mailing of such notice (or such fewer number of days as shall be acceptable to the Securities Depository).

In the event that Bonds are to be issued to Participants or to beneficial owners of the Bonds, the County shall promptly have prepared Bonds in certificated form of the same Series and maturity and bearing interest at the same rate, registered in the names of the Participants as shown on the records of the Securities Depository provided to the Trustee or, to the extent requested by any Participant, in the names of the beneficial owners of Bonds shown on the records of such Participant provided to the Trustee, as of the date set forth in the notice delivered in accordance with this subsection.

(f) If the County replaces any Securities Depository as the depository for the Bonds with another Securities Depository, the County will issue to the replacement Securities Depository Bonds of the same Series and maturity and bearing interest at the same rate, registered in the name of such replacement Securities Depository.

(g) Each Securities Depository and the Participants and the beneficial owners of the Bonds, by their acceptance of the Bonds, agree that the County and the Trustee shall have no liability for the failure of any Securities Depository to perform its obligations to any Participant or any beneficial owner of any Bonds, nor shall the County or the Trustee be liable for the failure of any Participant or other nominee of any beneficial owner of any Bonds to perform any obligation that such Participant or other nominee may incur to any beneficial owner of the Bonds.

**Section 2.10 No Acceleration.**

The principal of the Bonds shall not be subject to acceleration hereunder. Nothing in this Section shall in any way prohibit the prepayment or redemption of Bonds under Article III hereof, or the defeasance of the Bonds and discharge of this Indenture under Section 8.01 hereof.

## ARTICLE III

## REDEMPTION OF BONDS

**Section 3.01 Series 2024 Bonds Subject to Redemption.**

The Series 2024 Bonds at the time outstanding may be redeemed prior to their respective maturities as follows:

**Optional Redemption**. The 2024 Bonds are subject to optional redemption prior to maturity commencing on February 15, 2030, in whole or in part, at the option of the County at any time, in such amounts as the County may determine at the redemption prices set forth below plus accrued interest to the redemption date:

| Redemption Date | Redemption Price |
|---|---|
| February 15, 2030 to but not including February 15, 2031 | 103% |
| February 15, 2031 to but not including February 15, 2032 | 102% |
| February 15, 2032 to but not including February 15, 2033 | 101% |
| February 15, 2033 and thereafter | 100% |

(a) **Mandatory Sinking Fund Redemption**. The Series 2024 Bonds are subject to mandatory sinking fund redemption prior to maturity at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the date set for redemption from mandatory Sinking Fund Installments on February 15 of the following years in the following amounts:

$6,465,000 Term Bond Due February 15, 2044

| Year | Sinking Fund Installment | Year | Sinking Fund Installment |
|---|---|---|---|
| 2040 | $1,110,000 | 2043 | $1,385,000 |
| 2041 | 1,195,000 | 2044* | 1,490,000 |
| 2042 | 1,285,000 | | |

*final maturity

If (i) the Trustee purchases Term Bonds during any Fiscal Year, (ii) the County delivers to the Trustee for cancellation on or before the 45th day next preceding any February 15 on which a Sinking Fund Installment is due Term Bonds subject to redemption from such Sinking Fund Installment, or (iii) Term Bonds subject to redemption from a Sinking Fund Installment are otherwise redeemed during such Fiscal Year, then an amount equal to 100% of the aggregate principal amount of such Bonds so purchased, delivered to the Trustee for cancellation or redeemed shall be credited against such Sinking Fund Installment.

If the aggregate principal amount of Term Bonds of any series purchased by the Trustee or the County or redeemed in any Fiscal Year is in excess of the Sinking Fund Installment due on such Term Bonds on the immediately succeeding February 15, the Trustee shall credit such excess against subsequent Sinking Fund Installments for such Term Bonds as directed by the County.

(b) **Extraordinary Optional Redemption**. At the option of the County, the Series 2024 Bonds are subject to redemption prior to maturity as a whole or in part at any time, at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the date set for redemption upon the occurrence of any of the following conditions or events: (i) if title to, or the permanent use of, or use for a limited period of time of, any portion of the improvements located within the Districts are condemned or the subject of an agreement with, or action by, a public authority in the nature of or in lieu of condemnation proceedings; or (ii) if title to any portion of the improvements located within the Districts is found to be deficient; or (iii) if any portion of the improvements located within the Districts is damaged or destroyed by fire or other casualty, and, with respect to clauses (i), (ii) and (iii), in such case to the extent that the ability of the properties in the Districts to generate sufficient Tax Increment Revenues and Special Tax Revenues to pay debt service on the Series 2024 Bonds is substantially impaired.

(c) **Purchase in Lieu of Redemption**. In lieu of redeeming the Series 2024 Bonds, the County shall have the right to purchase such Series 2024 Bonds or cause such Series 2024 Bonds to be purchased on the date named for purchase at a purchase price equal to 100% of the principal amount of such Series 2024 Bonds, plus accrued interest thereon to the date named for purchase, and by their acceptance of the Series 2024 Bonds, the holders thereof agree to sell the Series 2024 Bonds to the County or any purchaser obtained by the County on such date. If there shall have been deposited with the Trustee the purchase price of such Series 2024 Bonds on such date, then such Series 2024 Bonds shall be deemed to have been purchased on such date whether or not the holders thereof surrender such Bonds for purchase and such holders shall not be entitled to interest accruing on such Series 2024 Bonds subsequent to such date and shall have no claims with respect thereto except to receive the purchase price of such Series 2024 Bonds so held by the Trustee.

**Section 3.02 Selection of Bonds to Be Redeemed or Purchased.**

If fewer than all of the Bonds are to be redeemed or purchased at the option of the County, the Series and maturities of the Bonds to be redeemed or purchased shall be selected by the County, subject to the procedures of the Securities Depository. If fewer than all of the Bonds of a Series of any one maturity shall be called for redemption or purchase, the Securities Depository shall select the particular Bonds or portions of Bonds of such Series to be redeemed or purchased from such maturity in accordance with its procedures, or if the book-entry system has been discontinued, the Trustee shall select or cause to be selected the particular Bonds or portions of Bonds of such Series to be redeemed or purchased on a *pro rata* basis among all outstanding maturities of the Bonds, as nearly as practicable, and within a maturity, by random drawing or in such other manner as the Trustee in its discretion may deem proper, provided that the portion of any Bond to be redeemed shall be in a principal amount equal to $5,000 or any integral multiple thereof, provided that no redemption or purchase shall result in a Bond in a denomination of less than the Authorized Denomination in effect at that time and, in selecting Bonds for redemption, each Bond shall be treated as representing that number of Bonds that is obtained by dividing the principal amount of such Bond by $5,000.

**Section 3.03 Notice of Redemption or Purchase.**

The County shall give notice to the Trustee of its election to redeem or purchase Bonds pursuant to Section 3.01(a) or (c). Each such notice shall be given at least 45 days prior to the redemption or purchase date of such Bonds, or such fewer number of days as shall be acceptable to the Trustee. Upon receipt of such notice, at least 30 days prior to the date set for redemption or purchase, the Trustee shall give notice in the name of the County by electronic transmission or, if the book-entry system has been discontinued, by first class mail, postage prepaid, to the registered owners of the Bonds to be redeemed or purchased of the County's election to redeem or purchase such Bonds.

At least 30 days before each date on which a Sinking Fund Installment for the Bonds becomes due, the Trustee shall give notice in the name of the County by electronic transmission or, if the book-entry system has been discontinued, by first class mail, postage prepaid, to the registered owners of the Bonds to be redeemed of the redemption of such Bonds. The Securities Depository, or if the book-entry system has been discontinued, the Trustee shall select Bonds then subject to redemption from such Sinking Fund Installment to be redeemed on such date in an aggregate principal amount equal to such Sinking Fund Installment.

Each notice of redemption or purchase of Bonds shall be given in accordance with the terms of the Bonds and shall set forth (i) the Series and maturities of the Bonds to be redeemed or purchased, (ii) the date fixed for redemption or purchase, (iii) the Redemption Price or purchase price to be paid, (iv) the designated office of the Trustee at which such Bonds shall be redeemed or purchased, (v) the CUSIP numbers of the Bonds to be redeemed or purchased, (vi) if fewer than all of the Bonds of a Series of any one maturity then Outstanding shall be called for redemption or purchase, the distinctive numbers and letters, if any, of the Bonds to be redeemed or purchased, (vii) in the case of Bonds to be redeemed or purchased in part only, the portion of the principal amount thereof to be redeemed or purchased, (viii) any conditions to such redemption or purchase and (ix) that on the redemption or purchase date, if all conditions, if any, to such redemption or purchase have been satisfied, there shall become due and payable upon all Bonds to be redeemed or purchased the Redemption Price or purchase price thereof, together with interest accrued to the redemption or purchase date, and that, from and after such date, interest thereon shall cease to accrue. If any Bond which is not held under a book-entry system is to be redeemed or purchased in part only, the notice of redemption or purchase that relates to such Bond shall state also that on or after the redemption or purchase date, upon surrender of such Bond the Trustee at the designated office of the Trustee, a new Bond or Bonds of the same Series of Bonds and maturity, bearing interest at the same rate and of any Authorized Denomination, will be issued in the aggregate principal amount equal to the unredeemed or unpurchased portion of such Bond.

Each notice of redemption or purchase with respect to any Bond shall comply with any published and mandatory regulation or release of the Securities Exchange Commission, the Municipal Securities Rulemaking Board or other governmental board or body from time to time applicable to such Bond.

If notice of redemption or purchase shall have been given as provided in this Section and all conditions, if any, to such redemption or purchase have been satisfied, then on or prior to the redemption or purchase date the County shall pay to the Trustee from the Revenues an amount in cash that, in addition to other moneys, if any, available therefor held by the Trustee, shall be sufficient to redeem or purchase at the Redemption Price or purchase price thereof, plus accrued interest to the redemption or purchase date, all of the Bonds to be redeemed or purchased on such date.

**Section 3.04 Redemption or Purchase of Portion of Bond.**

In case part but not all of any Bond which is not held under a book-entry system shall be selected for redemption or purchase, upon the presentation and surrender of such Bond to the Trustee for payment of the principal amount thereof so called for redemption or purchase in accordance with such Bond, the County shall execute and the Trustee shall authenticate and deliver to or upon the order of the registered owner of such Bond or his attorney or legal representative, without charge therefor, for the unredeemed or unpurchased portion of the principal amount of the Bond so surrendered, a Bond or Bonds of the same Series of Bonds and maturity, bearing interest at the same rate and of any Authorized Denomination, in aggregate principal amount equal to the unredeemed or unpurchased portion of such Bond.

**Section 3.05 Redemption or Purchase of Additional Bonds.**

The provisions of this Article with respect to Additional Bonds are subject in all respects to the provisions of the Supplemental Indenture authorizing the issuance thereof.

## ARTICLE IV

## FUNDS AND ACCOUNTS

**Section 4.01 Creation of Funds and Accounts.**

The following funds and accounts are hereby created and shall be maintained under this Indenture:

(1) Howard County, Maryland 2024 Series Annapolis Junction Town Center Bond Fund;
(2) Howard County, Maryland 2024 Series Annapolis Junction Town Center Costs of Issuance Fund;
(3) Howard County, Maryland 2024 Series Annapolis Junction Town Center Reserve Fund; and
(4) Howard County, Maryland 2024 Series Annapolis Junction Town Center Debt Service Fund.

Pursuant to the Acts, the County has created the Tax Increment Fund and the Special Taxes Fund and shall maintain such funds in accordance with the Acts and this Indenture.

The Annapolis Junction Town Center Administrative Expense Fund established under the Original Indenture shall remain in place under this Indenture.

The Series 2024 Bond Fund, the Series 2024 Debt Service Reserve Fund and the Series 2024 Debt Service Fund shall be held by the Trustee hereunder separate and apart from all other moneys and funds of the Trustee and the County. The Tax Increment Fund, the Special Taxes Fund, the Series 2024 Costs of Issuance Fund and the Administrative Expense Fund shall be held by the County hereunder separate and apart from all other moneys and funds of the County.

For the purposes of internal accounting, the funds and accounts created pursuant to this Section may contain one or more accounts and sub-accounts, as the County shall direct in writing.

Pending the application of amounts on deposit in the Series 2024 Bond Fund, the Series 2024 Debt Service Reserve Fund, the Series 2024 Debt Service Fund, the Tax Increment Fund and the Special Taxes Fund as provided in this Indenture, such amounts are hereby pledged to the payment of the principal of and interest on the Outstanding Series 2024 Bonds and, except as otherwise provided in any Supplemental Indenture authorizing the issuance of any Additional Bonds, any Additional Bonds Outstanding. The Administrative Expense Fund and the Series 2024 Costs of Issuance Fund are not pledged to the payment of any Bonds.

If any Supplemental Indenture provides for the establishment of separate funds and accounts for any Series of Bonds, then any provision of this Indenture requiring or permitting the application of amounts on deposit in any fund or account to the payment of any Bond or the transfer of amounts on deposit in any fund or account maintained for any Bonds to any other fund or account shall refer to the fund or account maintained for such Bonds.

**Section 4.02 Deposit of Bond Proceeds.**

(a) The proceeds derived from the sale of the Series 2024 Bonds in an amount equal to $16,586,698.45 (which represents the principal amount of the Series 2024 Bonds of $15,640,000.00, plus a premium of $1,040,538.45, and less an underwriter's discount of $93,840.00) shall be paid to the Trustee and forthwith deposited into the Series 2024 Bond Fund and further deposited or transferred as follows:

(i) $16,059,480.98 shall be transferred to the 2014 Bond Fund to be applied to the refunding of the Series 2014 Bonds by depositing such proceeds with the trustee under the Original Indenture for payment thereof; and

(ii) to the County, for deposit to the Series 2024 Costs of Issuance Fund: $527,217.47.

(b) All of the moneys within the 2014 Reserve Fund ($1,714,430.81) shall be transferred as follows:

(i) $149,930.81 shall be transferred by the Trustee to the 2014 Bond Fund to be applied to the refunding of the Series 2014 Bonds; and

(ii) to the Series 2024 Debt Service Reserve Fund in the amount of $1,564,500.00 (which is an amount equal to the initial Reserve Requirement).

(c) All of the moneys within the 2014 Debt Service Fund ($159.71) shall be transferred by the Trustee to the 2014 Bond Fund to be applied to the refunding of the Series 2014 Bonds.

(d) The moneys within the Tax Increment Fund ($648,000.00) shall be transferred by the County to the Trustee for deposit as follows:

(i) $291,654.33 shall be deposited by the Trustee in the 2014 Bond Fund to be applied to the refunding of the Series 2014 Bonds;

(ii) to the Administrative Expense Fund in the amount of $5,000.00;

(iii) to the Series 2024 Debt Service Fund in the amount of $301,345.67; and

(iv) The balance in the Tax Increment Fund shall remain deposited in the Tax Increment Fund.

(e) After the foregoing deposits and transfers have been made, the Series 2024 Bond Fund shall be closed. Additionally, following the refunding of the Series 2014 Bonds and the funding of the Series 2024 Debt Service Reserve Fund, all funds and accounts established or maintained under the Original Indenture shall be closed with the exception of the Special Taxes Fund, the Tax Increment Fund, and the Annapolis Junction Town Center Administrative Expense Fund.

(f) The proceeds of any Additional Bonds shall be deposited in accordance with the Supplemental Indenture authorizing the issuance of such Bonds.

**Section 4.03 Series 2024 Costs of Issuance Fund.**

Amounts in the Series 2024 Costs of Issuance Fund shall be disbursed by the County from time to time to pay Costs of Issuance. Upon the earlier of (a) the date that is six months from the date of initial delivery of the Bonds or (b) the date on which no amounts remain in the Series 2024 Costs of Issuance Fund, the Series 2024 Costs of Issuance Fund shall be closed and any remaining amounts on deposit therein shall be transferred to the Administrative Expense Fund.

**Section 4.04 Series 2024 Debt Service Reserve Fund.**

(a) If on any Interest Payment Date or any date on which the principal amount of or any Sinking Fund Installment for any Bond secured by the Series 2024 Debt Service Reserve Fund becomes due, the amount credited to the Series 2024 Debt Service Fund shall be less than the amount of the principal of, the Sinking Fund Installment for and the interest on such Bond due on such date, the Trustee forthwith shall transfer moneys from the Series 2024 Debt Service Reserve Fund to the Series 2024 Debt Service Fund, to the extent necessary to make good any deficiency.

(b) Whenever transfer is made from the Series 2024 Debt Service Reserve Fund to the Series 2024 Debt Service Fund due to a deficiency in the Series 2024 Debt Service Fund, the Trustee shall provide written notice thereof to the County and the Administrator, specifying the amount withdrawn.

(c) The Trustee shall determine the value of the assets of the Series 2024 Debt Service Reserve Fund on each Interest Payment Date and on any other date at the written request of an Authorized Officer. If the amount in the Series 2024 Debt Service Reserve Fund exceeds the Reserve Requirement, the Trustee shall provide written notice to the County of the amount of the excess and shall transfer, in the following order of priority, the amount of such excess available for transfer from the Series 2024 Debt Service Reserve Fund: (i) to the County an amount equal to the County Expenses due for the next Fiscal Year, plus any County Expenses then due and payable (all as reflected in an Officer's Certificate delivered to the Trustee), and (ii) to the Series 2024 Debt Service Fund, as shall be directed in writing by an Authorized Officer. If the amount in the Series 2024 Debt Service Reserve Fund is less than the Reserve Requirement, the Trustee shall provide written notice to the County of the amount of the deficiency and the County shall transfer moneys from the Tax Increment Fund and the Special Taxes Fund to the Series 2024 Debt Service Reserve Fund in accordance with Section 4.06.

(d) In determining the value of the assets of the Series 2024 Debt Service Reserve Fund, there shall be credited to the Series 2024 Debt Service Reserve Fund the amount that can be realized by the Trustee under any letter of credit, insurance policy, guaranty, surety bond or other similar facility (a "*Reserve Fund Credit Facility*") delivered to the Trustee by the County if each of the following conditions is met: (i) on the date of delivery of such Reserve Fund Credit Facility to the Trustee, the unsecured indebtedness or claims-paying ability of the issuer thereof is rated in one of the three highest rating categories of at least one Rating Agency; (ii) such Reserve Fund Credit Facility requires that the issuer thereof provide written notice to the Trustee of any downgrade in any rating of such issuer if the result of such downgrade would cause such rating to fall below the requirements set forth in clause (i) above and, as of the date of valuation, the Trustee has not received such notice; (iii) such Reserve Fund Credit Facility permits the Trustee to realize amounts thereunder at such times as the Trustee is required to transfer any amount (other than any excess) from the Series 2024 Debt Service Reserve Fund in accordance with this Indenture; (iv) such Reserve Fund Credit Facility permits the Trustee to realize thereunder the full amount of such Reserve Fund Credit Facility (A) prior to the expiration thereof, if no replacement Reserve Fund Credit Facility is delivered to the Trustee prior to such expiration date, unless the expiration date of such Reserve Fund Credit Facility is after the maturity date of the Bonds secured thereby and (B) upon any downgrade in any rating of the issuer thereof if such downgrade would cause such rating to fall below the requirements set forth in clause (i) above; and (v) on the date of delivery of such Reserve Fund Credit Facility to the Trustee, there has been delivered to the County and the Trustee an Opinion of Bond Counsel.

(e) Whenever the balance in the Series 2024 Debt Service Reserve Fund equals or exceeds the amount required to redeem or pay all Outstanding Bonds secured thereby, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, upon the written direction of the County, the Trustee shall transfer the amount in the Series 2024 Debt Service Reserve Fund to the Series 2024 Debt Service Fund as shall be specified by the County. In the event that the amount so transferred to the Series 2024 Debt Service Fund exceeds the amount required to pay and redeem the Outstanding Bonds, the amount of the excess shall be transferred to the County free and clear of the lien of this Indenture. Notwithstanding the foregoing, no amounts shall be transferred from the Series 2024 Debt Service Reserve Fund pursuant to this paragraph until after the calculation of any amount due to the United States of America pursuant to Section 5.08 following payment of the Bonds secured thereby and withdrawal of any such amount from the Series 2024 Debt Service Reserve Fund for purposes of making such payment.

**Section 4.05 Series 2024 Debt Service Fund.**

(a) On each Interest Payment Date and on each date on which the principal or Redemption Price of any Bonds becomes due, the Trustee shall withdraw from the Series 2024 Debt Service Fund and pay to the Holders of the Bonds the principal of and interest and premium, if any, on the Bonds then due and payable.

(b) Subject to paragraph (a) of this Section, available moneys in the Series 2024 Debt Service Fund shall be applied by the Trustee to the purchase or redemption of Bonds of such Series and maturities as the County shall direct. Notwithstanding the foregoing, if the County directs the Trustee to purchase Bonds with amounts on deposit in the Series 2024 Debt Service Fund being held for the payment of any Sinking Fund Installments becoming due on any Term Bonds in any year, such amounts shall be applied solely to the purchase of such Term Bonds, provided that, if in any Fiscal Year the amount credited against the Sinking Fund Installment for Term Bonds of any Series in accordance with Section 3.01 equals or exceeds the Sinking Fund Installment for such Term Bonds due on the immediately succeeding February 15, any excess amount on deposit in the Series 2024 Debt Service Fund for the payment of such Sinking Fund Installment shall be applied by the Trustee to the purchase of any Bonds then outstanding as shall be directed by the County. Moneys required to pay the principal or Redemption Price of or interest on any Bonds shall not be deemed to be available for application as provided in this Section. Any Bonds purchased pursuant to this Section shall be registered in such names or cancelled as the County shall direct.

(c) If the County shall determine to provide for the payment of any Bonds as provided in Section 8.01, amounts on deposit in the Series 2024 Debt Service Fund for the payment of the principal or Redemption Price of or interest on such Bonds shall be paid to the escrow deposit agent for such Bonds upon the written direction of the County.

**Section 4.06 Tax Increment Fund and Special Taxes Fund.**

(a) As soon as practicable following receipt thereof, the County shall deposit (i) all Tax Increment Revenues to the credit of the Tax Increment Fund and (ii) all Special Tax Revenues to the credit of the Special Taxes Fund.

(b) On each January 15 and July 15 (with respect to payments of principal of and interest on the Bonds on the immediately succeeding Interest Payment Date) and on any date required for the payment of any other obligations relating to the Development District and the Special Taxing District, the County shall withdraw, first from the Tax Increment Fund and second from the Special Taxes Fund, and transfer the following amounts for the following purposes in the following order of priority: (i) to the Trustee for deposit to the Series 2024 Debt Service Fund, the amount necessary, taking into account any amounts then on deposit in the Series 2024 Debt Service Fund and any excess in the Series 2024 Debt Service Reserve Fund available for transfer to the Series 2024 Debt Service Fund, to make the amount in the Series 2024 Debt Service Fund equal the principal, premium, if any, and interest due on the Bonds on the immediately succeeding Interest Payment Date or such other payment date, as applicable; (ii) to the Trustee for deposit to the Series 2024 Debt Service Reserve Fund, the amount necessary, taking into account amounts then on deposit in the Series 2024 Debt Service Reserve Fund after giving effect to any amount required to be transferred from the Series 2024 Debt Service Reserve Fund to the Series 2024 Debt Service Fund, to make the amount in the Series 2024 Debt Service Reserve Fund equal the Reserve Requirement; and (iii) to the Administrative Expense Fund, such amount as shall be determined by the County to be necessary to pay County Expenses (as reflected in an Officer's Certificate delivered to the Trustee), taking into account any amounts then on deposit in the Administrative Expense Fund.

(c) On July 15 of each year, after the County has made the transfers required by clauses (i) through (iii) above, any balance on deposit in, or deposited to (A) the Special Taxes Fund may be transferred by the County to the Trustee for deposit to the Series 2024 Debt Service Fund, and (B) the Tax Increment Fund may be withdrawn by the County free and clear of the lien of this Indenture.

Upon the issuance of Additional Bonds, the Supplemental Indenture relating thereto shall specify the manner in which Tax Increment Revenues and the Special Tax Revenues shall be deposited on a *pro rata* basis into the applicable funds and accounts for the Additional Bonds and Series 2024 Bonds that remain Outstanding following the issuance of Additional Bonds.

**Section 4.07 Administrative Expense Fund.**

(a) Amounts on deposit in the Administrative Expense Fund may be used by the County to pay County Expenses from time to time. The County shall maintain records of all County Expenses paid by the County from time to time, including the nature of such County Expenses.

(b) Annually, on the last day of each Fiscal Year, commencing with the first Fiscal Year in which the amount of the Tax Increment Revenues collected by the County is not less than the Debt Service due on February 15 of such Fiscal Year and on the August 15 immediately succeeding such Fiscal Year, as evidenced by an Officer's Certificate delivered to the Trustee, the County may withdraw any amounts then remaining in the Administrative Expense Fund that are not required to pay County Expenses incurred but not yet paid, and which are not otherwise encumbered.

(c) Notwithstanding the provisions of paragraph (b) above, any amounts on deposit in the Administrative Expense Fund representing bond proceeds or investment earnings thereon shall be held in the Administrative Expense Fund and used by the County to pay County Expenses; provided that any such amounts representing bond proceeds or investment earnings thereon remaining on deposit in the Administrative Expense Fund on the third anniversary of the Closing Date shall be withdrawn from the Administrative Expense Fund and paid over to the Trustee for deposit to the Series 2024 Debt Service Fund.

**Section 4.08 Investments.**

(a) Moneys in any fund or account established pursuant to this Indenture and held by the Trustee shall be invested by the Trustee as directed in writing by an Authorized Officer, but only in Permitted Investments. In the absence of any such direction, the Trustee shall invest any such moneys in Permitted Investments described in clause (g) of the definition thereof or in Government Obligations. The Authorized Officer shall direct the investment of such funds so as to comply with Section 5.08.

(b) Subject to the provisions of Section 5.08, (i) moneys in the Special Taxes Fund shall be invested by the County in Permitted Investments and (ii) moneys in the Tax Increment Fund and in any fund or account established pursuant to this Indenture and held by the County (except for the Special Taxes Fund) shall be invested in any lawful investment for funds of the County and in accordance with the County's investment policy.

(c) Neither the Trustee nor the County shall incur any liability for losses arising from any investments made in accordance with this Section. The Trustee shall not be required to determine the legality of any investments or compliance with Section 5.08 or whether such investment qualifies as a Permitted Investment.

(d) In determining the value of the assets of the funds and accounts created by this Indenture, investments and accrued interest thereon shall be deemed a part thereof. Investments shall be valued at current market value. Interest earned, profits realized and losses suffered by reason of any investment of the funds and accounts created by this Indenture shall be credited or charged, as the case may be, to the fund or account for which such investment shall have been made.

(e) Investments in any and all funds and accounts may be commingled for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular funds or accounts of amounts received or held by the Trustee or the County hereunder, provided that the Trustee or the County, as applicable, shall at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in this Indenture.

(f) The Trustee will furnish the County and the Administrator with monthly statements of the funds and accounts established hereunder that are held by the Trustee, which statements shall include detail for all investment transactions made by the Trustee hereunder.

**Section 4.09 Priority of Payments Following Default.**

If on any date on which the principal or Redemption Price of or interest on any Bond becomes due, the amounts on deposit in the funds and accounts established pursuant to this Indenture and available for the payment thereof shall not be sufficient to provide for such payments, amounts held by the Trustee or the County hereunder and under the Authorizing Legislation, together with any moneys thereafter becoming available for such purpose shall be applied, after payment of County Expenses and payment of fees and expenses of the Trustee (including reasonable attorneys' fees), as follows:

FIRST: to the payment to the persons entitled thereto of all installments of interest then due on the Bonds Outstanding, in the order in which such installments became due and payable and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment of such installment, ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference, except as to any difference in the respective rates of interest specified in such Bonds;

SECOND: to the payment to the persons entitled thereto of the unpaid principal of any Outstanding Bonds that shall have become due and payable, in the order of their due dates, with interest upon the principal amount of such Bonds from the respective dates upon which such principal shall have become due and payable and, if the amount available shall not be sufficient to pay in full the principal of such Bonds due and payable on any particular date, together with such interest, then first to the payment of such interest, ratably, according to the amount of interest due on such date, and then to the payment of such principal, ratably, according to the amount of principal due on such date, to the persons entitled thereto, without any discrimination or preference, except as to any difference in the respective rates of interest specified in such Bonds; and

THIRD: to the payment of the interest on and the principal of the Bonds Outstanding as the same become due and payable.

Notwithstanding the foregoing provisions of this Section, (a) amounts on deposit in any fund or account maintained for any particular Series of Bonds shall be applied solely to the payment of amounts due on Bonds of such Series; (b) any other amounts held by the Trustee or the County hereunder and under the Authorizing Legislation shall be allocated *pro rata* as to time and amount among the Outstanding Bonds of each Series after giving effect to the application of amounts on deposit in the Series 2024 Debt Service Fund and the Series 2024 Debt Service Reserve Fund maintained for such Bonds, on the basis of the amounts of principal and interest then due on such Bonds; and (c) prior to the application of any moneys that constitute proceeds of any Series of Tax-Exempt Bonds or the investment earnings on such proceeds to the payment of any Bond of any other Series, the Trustee shall obtain an Opinion of Bond Counsel.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. The setting aside of such moneys in trust for the benefit of all holders of Bonds Outstanding shall constitute proper application by the Trustee, and the Trustee shall incur no liability whatsoever to the County, to any Bondholder or to any other person for any delay in applying any such moneys, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of this Indenture as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such moneys, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made, and upon such date interest on the amounts of principal of the Bonds to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date. The provisions of this paragraph shall be subject in all respects to the provisions of the Bonds with respect to the payment of defaulted interest on the Bonds. The Trustee shall not be required to make payment to the holder of any Bond unless such Bond shall be presented to the Trustee.

**Section 4.10 Application of Funds for Retirement of Bonds.**

If the County shall determine to provide for the payment or redemption of all Outstanding Bonds, amounts on deposit in any fund or account created by this Indenture shall be transferred to the Series 2024 Debt Service Fund or any escrow agent for the Bonds for the payment of the principal or Redemption Price of or interest on such Bonds upon the written direction of the County.

**Section 4.11 Unclaimed Moneys.**

Anything contained herein to the contrary notwithstanding, any moneys held by the Trustee in trust for the payment and discharge of the principal of, and the interest and premium on, the Bonds which remains unclaimed for three years after the date when the payment of such principal, interest and premium have become payable, shall, to the extent permitted by law, be repaid by the Trustee to the County as its absolute property free from any trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Holders shall look only to the County for the payment of the principal of, and interest and premium on, such Bonds.

## ARTICLE V

## COVENANTS OF THE COUNTY

**Section 5.01 Punctual Payment.**

The County will punctually pay or cause to be paid, but solely from the Revenues, the principal of, and interest and any premium on, the Bonds when and as due in strict conformity with the terms of this Indenture, the Bonds and any Supplemental Indenture, and it will faithfully observe and perform all of the conditions, covenants and requirements of this Indenture, the Bonds and any Supplemental Indenture.

**Section 5.02 Bonds Constitute Special Obligations.**

The Bonds are special obligations of the County, payable solely from the Revenues and certain other assets and revenues pledged by the County under the Authorizing Legislation and this Indenture, including certain other funds held by the Trustee hereunder. The Bonds do not constitute a general obligation debt of the County or a pledge of the County's full faith and credit or taxing power. Except for the Revenues, no other taxes or assessments are pledged to the payment of the Bonds.

Amounts in the Administrative Expense Fund and the Series 2024 Costs of Issuance Fund are not pledged to the repayment of the Bonds.

The Public Improvements financed with the proceeds of the Bonds are not in any way pledged to pay the Debt Service on the Bonds. Any proceeds of condemnation or destruction of the Public Improvements financed with the proceeds of the Bonds are not pledged to pay the Debt Service on the Bonds and are free and clear of any lien or obligation imposed hereunder.

**Section 5.03 Encumbrances.**

The County shall not (i) encumber, pledge or place any charge or lien upon any of the Revenues or other amounts pledged to the Bonds superior to, on a parity with or subordinate to the pledge and lien herein created for the benefit of the Bonds or (ii) issue any bonds, notes or other obligations (other than the Bonds) that are secured by any pledge or lien on the Revenues or other property pledged under this Indenture, in each case except as permitted by this Indenture.

**Section 5.04 Extension of Time for Payment.**

In order to prevent any accumulation of claims for interest after maturity, the County shall not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any of the Bonds and shall not, directly or indirectly, be a party to the approval of any such arrangement by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest shall be extended or funded, whether or not with the consent of the County, such claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have been so extended or funded.

**Section 5.05 Books and Records.**

The County will keep, or cause to be kept, proper books of record and account in which complete and correct entries shall be made of all transactions relating to the Development District, the Special Taxing District and the Revenues. Such books shall be subject to the inspection of the Trustee and any duly authorized representative of Holders of not less than ten percent of the Bonds, upon written request to the County by the Trustee or such representative, as applicable. The County shall provide the Trustee or such representative, as applicable, an opportunity to inspect such books and records during the County's regular business hours and on a mutually agreeable date not later than 30 days after the County receives such request.

**Section 5.06 Collection of Tax Increment Revenues and Special Tax Revenues.**

(a) The County shall comply in all material respects with all requirements of all applicable State and local laws, including the Acts, the Refunding Bond Act and the Authorizing Legislation, to the extent required to assure the timely collection of Revenues for the payment of the Bonds and other amounts payable hereunder. Without limiting the generality of the foregoing, the County covenants to collect the Special Taxes in accordance with the Special Taxing District Act and the Authorizing Legislation (including the Rate and Method).

(b) Prior to the beginning of each Fiscal Year, the Authorized Officer shall determine, or cause the Administrator to determine, taking into account the amount on deposit in the funds and accounts hereunder and the amount of Tax Increment Revenues expected to be levied and collected, if Special Taxes need to be collected pursuant to the terms of the Authorizing Legislation. If the Authorized Officer or the Administrator determines that the collection of Special Taxes is required, the Authorized Officer shall ascertain, or cause the Administrator to ascertain, the relevant parcels on which the Special Taxes are to be collected, taking into account any parcel splits during the preceding and then current Fiscal Year and shall determine the amount of Special Taxes within the Special Taxing District required during the ensuing Fiscal Year for the purposes set forth in the Authorizing Legislation, including the payment of the principal of and interest on any Outstanding Bonds, any necessary replenishment or expenditure of the Series 2024 Debt Service Reserve Fund for the Bonds and an amount estimated to be sufficient to pay the County Expenses during such Fiscal Year, taking into account the balances in such funds, the Tax Increment Fund and the Special Taxes Fund. The Authorized Officer or the Administrator shall make such determination in accordance with the Authorizing Legislation and the Acts. The Special Taxes so collected shall not exceed the authorized amounts as provided in the proceedings pursuant to the Authorizing Legislation. The Authorized Officer shall take all necessary actions to cause such amount of Special Taxes to be collected in each Fiscal Year in which Special Taxes are required to be collected under this Indenture.

(c) The County hereby covenants with and for the benefit of the Bondholders that it will order, and cause to be commenced as hereinafter provided, and thereafter diligently prosecute the collection (unless such delinquency is theretofore brought current) of any property taxes or Special Taxes or installment thereof levied on any property in the Districts and not paid when due.

(d) In the event that any property that has been offered for sale for nonpayment of taxes has not been purchased by a private purchaser, the County will use reasonable efforts to continue to offer the property for sale until sold to a private purchaser.

**Section 5.07 Protection of Security and Rights of Bondholders; Further Assurances.**

The County will preserve and protect the security of the Bonds and the rights of the Bondholders, and will warrant and defend their rights against all claims and demands of all persons. The County will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for better assuring and confirming unto the Holders the rights and benefits provided in this Indenture.

**Section 5.08 Bonds Not to be Arbitrage Bonds.**

The County Executive and the Director of Finance of the County shall be the officials of the County responsible for issuing the Tax-Exempt Bonds (the "*Section 148 Certifying Officials*"). The Section 148 Certifying Officials shall execute and deliver (on the date of each issuance of Tax-Exempt Bonds) a certificate of the County (each such certificate, as it may be amended and supplemented from time to time in accordance with this Section, being referred to herein as a "*Section 148 Certificate*") that complies with the requirements of Section 148 of the Code or any successor to such Section in effect on the date of issuance of such Bonds ("*Section 148*"). The County shall set forth in such Section 148 Certificate its reasonable expectations as to relevant facts, estimates and circumstances relating to the use of the proceeds of such Bonds, or of any moneys, securities or other obligations that may be deemed to be proceeds of such Bonds within the meaning of Section 148 (collectively, "*Bond Proceeds*").

The County covenants that (i) the facts, estimates and circumstances set forth in each Section 148 Certificate will be based on the County's reasonable expectations on the date of delivery of such Certificate and will be, to the best of the Section 148 Certifying Officials' knowledge, true, correct and complete as of that date, and (ii) the Section 148 Certifying Officials will make reasonable inquiries to ensure such truth, correctness and completeness.

The County further covenants that it will not make, or (to the extent it exercises control or direction) permit any other person to make, any use of the Bond Proceeds that would cause any Tax-Exempt Bonds to be "arbitrage bonds" within the meaning of Section 148. The County further covenants that it will comply with those provisions of Section 148 that are applicable to any Tax-Exempt Bonds on the date of issuance of such Bonds and with those provisions of Section 148 that may subsequently be lawfully made applicable to such Bonds. To the extent that provisions of Section 148 apply only to a portion of any Tax-Exempt Bonds, it is intended that the covenants of the County contained in this Section be construed so as to require the County to comply with Section 148 only to the extent of such applicability.

The County shall (i) hold and invest Bond Proceeds within its control (if such proceeds are invested), and (ii) direct the Trustee to transfer amounts on deposit in any fund or account created by this Indenture to the County for the payment of rebates or payments in lieu thereof to the United States of America, all in accordance with the expectations of the County set forth in the Section 148 Certificate.

The County shall make timely payment, but only from the Revenues and other property pledged under this Indenture, of any rebate amount or payment in lieu thereof (or installment of either) required to be paid to the United States of America in order to preserve the excludability from gross income, for federal income tax purposes, of interest paid on the Tax-Exempt Bonds and shall include with any such payment such other documents, certificates or statements as shall be required to be included therewith under then-applicable law and regulations.

The Section 148 Certifying Officials may execute an amendment or supplement to any Section 148 Certificate upon delivery to the Trustee of an Opinion of Bond Counsel with respect to the actions to be taken by the County in accordance with such amendment or supplement.

Neither the County nor the Trustee shall incur any liability in connection with any action as contemplated herein so long as the County and the Trustee act in good faith.

**Section 5.09 Amendment of the Public Improvements.**

Nothing contained herein shall be construed to limit the right of the County to amend the Public Improvements subject in all respects to the requirements of the Acts and the Authorizing Legislation.

**Section 5.10 Continuing Disclosure.**

The County and the Developer have agreed to provide continuing disclosure pursuant to the Disclosure Agreements; provided however that any failure by the County or the Developer to comply with the requirements of the Disclosure Agreements shall not constitute a default or event of default under this Indenture or the Bonds.

## ARTICLE VI

## THE TRUSTEE; THE ADMINISTRATOR

**Section 6.01 Trustee as Trustee and Paying Agent.**

The Trustee is hereby designated and agrees to act as Trustee and Paying Agent for and in respect to the Series 2024 Bonds and, except as otherwise provided in any Supplemental Indenture, any Additional Bonds.

**Section 6.02 Trustee Entitled to Indemnity.**

The Trustee shall be under no obligation to institute any suit, or to undertake any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction against any and all reasonable costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability except as a consequence of its own negligence or willful misconduct. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as the Trustee, without indemnity, and in such case the County shall reimburse the Trustee from the Revenues, but only to the extent that such amounts are appropriated by the County, for all costs and expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith. If the County shall fail to make such reimbursement, the Trustee may reimburse itself from any moneys in its possession under the provisions of this Indenture and shall be entitled to a preference therefor over any Bonds Outstanding hereunder.

**Section 6.03 Responsibilities of the Trustee.**

The recitals contained in this Indenture and in the Bonds shall be taken as the statements of the County and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representation as to the validity or sufficiency of this Indenture or the Bonds or with respect to the security afforded by this Indenture, the compliance of the Public Improvements with the Acts, the Refunding Act or the Authorizing Legislation or the tax-exempt status of the Tax-Exempt Bonds and the Trustee shall incur no liability with respect thereto. Except as otherwise expressly provided in this Indenture, the Trustee shall have no responsibility or duty with respect to: (i) the issuance of Bonds for value; (ii) the application of the proceeds thereof, except to the extent that such proceeds are received by it in its capacity as Trustee; (iii) the application of any moneys paid to the County or others in accordance with this Indenture, except as to the application of any moneys paid to it in its capacity as Trustee; or (iv) any calculation of arbitrage or rebate under the Code.

The duties and obligations of the Trustee shall be determined by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture.

The Trustee shall not be liable for any action taken or omitted by it in the performance of its duties under this Indenture, except for its own negligence or willful misconduct.

The rights, privileges, protections, immunities and benefits given to the Trustee, including (without limitation) its rights to be indemnified, are extended to, and shall be enforceable by the Trustee in each of its capacities hereunder. Such immunities and protections and right to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the discharge of this Indenture and final payment of the Bonds.

The Trustee is under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Bondholders unless such holders have offered to the Trustee security or indemnity satisfactory to the Trustee as to its terms, coverage, duration, amount and otherwise with respect to the costs, expenses and liabilities which may be incurred.

The permissive right of the Trustee to take actions permitted by this Indenture shall not be construed as an obligation or duty to do so.

The Trustee shall have no responsibility for any information in any offering memorandum or other disclosure material distributed with respect to the Bonds, and the Trustee shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds.

In the event the Trustee receives inconsistent or conflicting requests and indemnity from two or more groups of holders of the Bonds, each representing less than a majority in aggregate principal amount of the Bonds Outstanding, pursuant to the provisions of this Indenture, the Trustee, in its sole discretion, may determine what action, if any, shall be taken.

**Section 6.04 Property Held in Trust.**

All moneys and securities held by the Trustee at any time pursuant to the terms of this Indenture shall be held by the Trustee in trust for the purposes and under the terms and conditions of this Indenture.

**Section 6.05 Trustee Protected in Relying on Certain Documents**.

The Trustee may rely upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, bond or other document provided to the Trustee in accordance with the terms of this Indenture that it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Indenture, or upon the written opinion of any counsel, architect, engineer, insurance consultant, management consultant or accountant believed by the Trustee to be qualified in relation to the subject matter, and the Trustee shall be under no duty to make any investigation or inquiry into any statements contained or matters referred to in any such instrument. The Trustee may consult with counsel, who may or may not be Bond Counsel or counsel to the County, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it in good faith and in accordance therewith.

Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matter may be deemed to be conclusively proved and established by an Officer's Certificate, unless other evidence in respect thereof be hereby specifically prescribed. Such Officer's Certificate shall be full warrant for any action taken or suffered in good faith under the provisions hereof, but in its discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof by the County to the Trustee shall be sufficiently executed if executed in the name of the County by an Authorized Officer.

The Trustee shall not be under any obligation to see to the recording or filing of this Indenture, or otherwise to the giving to any person of notice of the provisions hereof except as expressly required in Section 6.13.

**Section 6.06 Compensation.**

Unless otherwise provided by contract with the Trustee, the County shall pay to the Trustee, but only to the extent that such amounts are appropriated by the County, from the Revenues or amounts on deposit in the Series 2024 Costs of Issuance Fund or the Administrative Expense Fund, from time to time, reasonable compensation for all services rendered by it hereunder, including its services as Trustee and Paying Agent, together with all its reasonable expenses, charges and other disbursements and those of its counsel, agents and employees, incurred in and about the administration and execution of the trusts hereby created and the exercise of its powers and the performance of its duties hereunder, subject to any limit on the amount of such compensation or recovery of expenses or other charges as shall be prescribed by specific agreement, and the Trustee shall have a lien therefor on any and all funds at any time held by it hereunder prior to any Bonds Outstanding. The County shall indemnify and save the Trustee harmless, but solely from the Revenues, but only to the extent that such amounts are appropriated by the County, or amounts on deposit in the Series 2024 Costs of Issuance Fund and the Administrative Expense Fund, against any expenses and liabilities that the Trustee may incur in the exercise and performance of its powers and duties hereunder that are not due to its negligence or willful misconduct. None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers. If the County shall fail to make any payment required by this Section, the Trustee may make such payment from any moneys in its possession under the provisions of this Indenture and shall be entitled to a preference therefor over any Bonds Outstanding hereunder.

**Section 6.07 Permitted Acts.**

The Trustee and its directors, officers, employees or agents may become the owner of or may in good faith buy, sell, own, hold and deal in Bonds and may join in any action that any holder of Bonds may be entitled to take as fully and with the same rights as if it were not the Trustee. The Trustee may act as depository, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, the County or any committee formed to protect the rights of holders of Bonds or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not such committee shall represent the holders of a majority of the Bonds.

**Section 6.08 Resignation of Trustee.**

The Trustee may at any time resign and be discharged of its duties and obligations hereunder by giving not fewer than 30 days' notice, specifying the date when such resignation shall take effect, to the County and each Holder of any outstanding Bond. Such resignation shall take effect upon the appointment of a successor as provided in Section 6.10 and the acceptance of such appointment by such successor.

**Section 6.09 Removal of Trustee.**

The Trustee may be removed at any time by (i) the Holders of a majority of the Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Holders or by their attorneys-in-fact, duly authorized and delivered to the County, or (ii) so long as no default shall have occurred and be continuing under this Indenture, the County. Copies of each such instrument shall be delivered by the County to the Trustee and any successor thereof. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the County or the Holders of not less than 10% of the Bonds.

**Section 6.10 Successor Trustee.**

If the Trustee shall resign, be removed, be dissolved or become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee or of its property shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, the position of the Trustee hereunder shall thereupon become vacant.

If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, a successor Trustee shall be appointed by the County or, if a default shall have occurred and be continuing hereunder, by the Holders of at least 25% of the Bonds by an instrument or concurrent instruments in writing delivered to such successor Trustee, with notification thereof being given to the predecessor Trustee and, in the case of any appointment made by the Bondholders, the County.

If in a proper case no appointment of a successor Trustee shall be made within 45 days after the giving by any Trustee of any notice of resignation in accordance with Section 6.08 or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Holder of Bonds may apply to any court of competent jurisdiction for the appointment of such a successor, and the court may thereupon, after such notice, if any, as the court may deem proper, appoint such successor.

Any successor Trustee appointed under the provisions of this Section shall be a commercial bank or trust company or national banking association (i) having a capital and surplus and undivided profits aggregating at least $100,000,000, if there be such a commercial bank or trust company or national banking association willing and able to accept the appointment on reasonable and customary terms, and (ii) authorized by law to perform all the duties of the Trustee required by this Indenture.

Each successor Trustee shall mail, in accordance with the provisions of the Bonds, notice of its appointment to the Trustee and each of the Holders of the Bonds.

**Section 6.11 Transfer of Rights and Property to Successor Trustee.**

Any successor Trustee appointed under the provisions of Section 6.10 shall execute, acknowledge and deliver to its predecessor and the County an instrument in writing accepting such appointment, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers, duties, obligations and trusts of its predecessor hereunder, with like effect as if originally appointed as Trustee. However, the Trustee then ceasing to act shall nevertheless, on request of the County or of such successor, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the rights, immunities, powers and trusts of such Trustee and all the right, title and interest of such Trustee in and to the Trust Estate, and shall pay over, assign and deliver to such successor any moneys or other properties subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the County be required by such successor for more fully and certainly vesting in and confirming to it any such moneys, estates, properties, rights, powers, duties or obligations, any and all such deeds, conveyances and instruments in writing, on request and so far as may be authorized by law, shall be executed, acknowledged and delivered by the County.

**Section 6.12 Merger, Conversion or Consolidation of Trustee.**

Any company into which the Trustee may be merged or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Trustee hereunder, without any further act, deed or conveyance, provided that such company shall be a commercial bank or trust company or national banking association qualified to be a successor to such Trustee under the provisions of Section 6.10.

**Section 6.13 Trustee to File Continuation Statements.**

The Trustee shall file or cause to be filed, at the expense of the County, but solely from the Revenues, but only to the extent that such amounts are appropriated by the County, or amounts on deposit in the Series 2024 Costs of Issuance Fund or the Administrative Expense Fund, such amendments to financing statements as may be required by the Maryland Uniform Commercial Code, as from time to time in effect (the "*UCC*") and provided by the County, in order to continue perfection of the security interest of the Trustee in such items of tangible or intangible personal property and any fixtures as may have been granted to the Trustee pursuant to this Indenture the time, place and manner required by the UCC.

**Section 6.14 Construction of Indenture.**

The Trustee may construe any of the provisions of this Indenture insofar as the same may appear to be ambiguous or inconsistent with any other provision hereof, and any construction of any such provisions hereof by the Trustee in good faith shall be binding upon the Holders of the Bonds.

**Section 6.15 The Administrator.**

MuniCap, Inc. is hereby appointed by the County as Administrator hereunder. The Administrator undertakes to perform such duties, and only such duties, as are specifically set forth in this Indenture and as further set forth in this Article VI, and no implied covenants or obligations shall be read into this Indenture against the Administrator.

**Section 6.16 Duties of Administrator.**

(a) The Administrator by its acceptance hereof agrees to perform the following tasks in connection with the Bonds:

(i) determine and calculate the annual Special Taxes to be levied and collected each year as provided for in the Authorizing Legislation and the Rate and Method;

(ii) prepare an annual report for submission to the County containing an explanation of the classification of property and the methodology employed to calculate the amount of Special Taxes levied;

(iii) provide such advice and assistance as may be required by the County in connection with the levy and collection of Special Taxes;

(iv) perform such additional duties as may be specified in this Indenture or the Administration Agreement; and

(v) provide those services required of it pursuant to the Disclosure Agreements.

(b) In the event of a failure by the Administrator to comply with any provisions of this Section, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Administrator to comply with its obligations under this Section.

(c) The Administrator shall have only those duties relating to continuing disclosure as set forth in the Disclosure Agreements, and shall not be deemed to be acting in a fiduciary capacity for the Developer, the County, the Trustee, the Bondholders or any other party for the purpose of complying with its obligation to provide continuing disclosure.

**Section 6.17 Qualifications, Resignation, Removal and Appointment of Successor Administrator.**

Any successor Administrator appointed pursuant to the provisions of this Section shall be an individual or entity with the ability, as determined by the County, to perform the duties of the Administrator under this Indenture and the Disclosure Agreements and as more particularly set forth in the Administration Agreement. Such successor Administrator shall enter into an agreement with the County substantially in the form of the Administration Agreement.

The County may remove the Administrator initially appointed and any successor thereto upon sixty (60) days' written notice to the Administrator, and shall appoint a successor or successors thereto. The County shall provide notice to the Trustee and the Holders of the removal of the Administrator and the appointment of any successor Administrator.

The Administrator may resign from its obligations hereunder and under the Administration Agreement upon sixty (60) days' written notice to the County and the Trustee. Any resignation or removal of the Administrator shall become effective upon acceptance of appointment by the successor Administrator.

If no appointment of a successor Administrator shall be made pursuant to the provisions of this Section within sixty (60) days following receipt by the County of the written notice of the resignation or removal of the Administrator, the County shall assume the obligations of the Administrator hereunder.

**Section 6.18 Rights of Administrator.**

The Administrator shall be afforded the same rights with respect to limitation of responsibilities, liability, notice, compensation and indemnification given to the Trustee pursuant to this Indenture.

## ARTICLE VII

## MODIFICATION OR AMENDMENT OF INDENTURE

**Section 7.01 Modification or Amendment Without Consent.**

Without notice to or the consent of the Bondholders, the County at any time and from time to time may enter into Supplemental Indentures supplementing, modifying or amending this Indenture or any Supplemental Indenture for one or more of the following purposes:

(a) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Trustee for the benefit of such holders;

(b) to add to the covenants and agreements of the County contained in this Indenture, other covenants and agreements thereafter to be observed relative to the acquisition, construction, equipping, operation, maintenance, development or administration of the Public Improvements or relative to the application, custody, use or disposition of the proceeds of Bonds;

(c) to surrender any right, power or privilege reserved to or conferred upon the County by this Indenture;

(d) to confirm, as further assurance, any pledge under, and the subjection to any lien on, or claim or pledge of (whether created or to be created by this Indenture), the Revenues or any other property pledged hereunder;

(e) to cure any ambiguity or to cure or correct any defect or inconsistent provisions contained in this Indenture or to make such provisions in regard to matters or questions arising under this Indenture as may be necessary or desirable and not contrary to or inconsistent with this Indenture;

(f) to authorize the issuance of Additional Bonds, including (without limitation) any modifications or amendments required to grant to or otherwise secure for the holders of such Additional Bonds a parity interest in the security granted to the holders of the Series 2024 Bonds and any other then-Outstanding Bonds in accordance with Section 2.04;

(g) to permit the qualification of this Indenture or any Supplemental Indenture under any federal statute now or hereafter in effect or under any state blue sky law and, in connection therewith, to add to this Indenture or any Supplemental Indenture such other terms, conditions and provisions as may be permitted or required by such federal statute or state blue sky law;

(h) to obtain or to maintain any ratings on any Bonds from any Rating Agency;

(i) to preserve the excludability from gross income for federal income tax purposes of the interest paid on any Tax-Exempt Bonds theretofore issued; or

(j) to make any other change in this Indenture which the Trustee determines shall not prejudice in any material respect the rights of the holders of the Bonds Outstanding at the date as of which such change shall become effective.

**Section 7.02 Supplemental Indentures Requiring Consent of Bondholders.**

In addition to Supplemental Indentures permitted by Section 7.01, with the prior written consent of the holders of a majority of the Bonds, the County at any time and from time to time may enter into Supplemental Indentures amending or supplementing this Indenture, any Supplemental Indenture or any Bond to modify any of the provisions thereof or to release the County from any of the obligations, covenants, agreements, limitations, conditions or restrictions therein contained, provided that nothing contained herein shall permit (i) a change in any terms of redemption or purchase of any Bond, the due date for the payment of the principal of or interest on any Bond or any reduction in the principal, Redemption Price or purchase price of or interest rate on any Bond without the consent of the Holder of such Bond or (ii) a preference or priority of any Bond over any other Bond or a reduction in the percentage of Bonds the consent of the Holders of which is required for any modification of this Indenture, without the unanimous consent of the holders of all Outstanding Bonds.

**Section 7.03 Notation on Bonds.**

Bonds authenticated and delivered after the effective date of any Supplemental Indenture may, and if the Trustee or the County so determines, shall, bear a notation by endorsement or otherwise in form approved by the County and the Trustee of such action. If the County or the Trustee shall so determine, new Bonds modified as necessary, in the opinion of the Trustee and the County, to conform to such Supplemental Indenture shall be prepared, authenticated and delivered and, upon demand of the Holder of any Outstanding Bond and surrender of such Bond to the Trustee, such Bond shall be exchanged, without cost to such Holder, for a new Bond.

**Section 7.04 Amendments to Authorizing Legislation.**

Without notice to or the consent of the Bondholders, the County at any time and from time to time may pass supplemental legislation supplementing, modifying or amending the Authorizing Legislation (i) in connection with any Supplemental Indenture entered into pursuant to Section 7.01 of this Indenture; or (ii) to add additional real property to the Districts or either one of them. Except for supplemental legislation permitted by the preceding sentence, the County shall not pass any supplemental legislation supplementing, modifying or amending the Resolution or the Bond Ordinance without the prior written consent of the holders of a majority of the Bonds Outstanding.

## ARTICLE VIII

## DEFEASANCE

**Section 8.01 Defeasance.**

(a) If the County shall pay or cause to be paid the principal or Redemption Price of and interest on all Bonds at the times and in the manner stipulated therein and in this Indenture, then the pledge of any Revenues and other property hereby pledged to the Bonds and all other rights granted hereby to the Bonds shall be discharged and satisfied. In such event, upon the request of the County, the Trustee shall execute and deliver to the County all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall pay or deliver to the County, or to such officer, board or body as may then be entitled by law to receive the same, all property held by it pursuant to this Indenture (other than any moneys and securities required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption).

(b) A Series 2024 Bond and any Additional Bond, except as otherwise provided in the Supplemental Indenture authorizing the issuance thereof, shall be deemed to have been paid within the meaning of and with the effect expressed in this Section if (i) money for the payment or redemption of such Bond shall be held by the Trustee (through deposit by the County of moneys for such payment or redemption or otherwise, regardless of the source of such moneys), whether at or prior to the maturity or the redemption date of such Bond, or (ii) if the maturity or redemption date of such Bond shall not have arrived (A) provision shall have been made by the County for the payment of the principal or Redemption Price of and interest on such Bond on the due dates for such payments by deposit with the Trustee (or other method satisfactory to the Trustee) of moneys or Government Obligations, the principal of and the interest on which when due, without reinvestment, will provide for such payment, and, if such Bond will be redeemed more than 90 days after the date the deposit is made, the County shall have made provision satisfactory to the Trustee for the mailing of a defeasance notice to the Holder(s) of such Bond that such moneys are so available for such payment and (B) if such Bond is to be redeemed prior to the maturity thereof, the County shall have taken all action necessary to redeem such Bond and notice of such redemption shall have been duly given or provisions satisfactory to the Trustee shall have been made for the giving of such notice and (iii) the Trustee has received an opinion of counsel experienced in bankruptcy law matters that the use of such moneys and/or Government Obligations will not constitute a voidable preference payment pursuant to Section 547 of the United States Bankruptcy Code in the event the County were to become a debtor under the United States Bankruptcy Code. The Trustee may rely upon a verification report by an independent public accountant or a verification agent with a favorable reputation in the field of verifying defeasance escrows as to the sufficiency of the deposit (or other method) under clause (A) above to provide for the payment described therein. Upon any defeasance of all or a portion of the Bonds, all optional and extraordinary redemption provisions shall cease to be applicable thereto (other than optional redemption provisions, if any, exercised in connection with the defeasance).

## ARTICLE IX

## MISCELLANEOUS

**Section 9.01 Liability of County.**

The County shall not incur any responsibility in respect of the Bonds or this Indenture other than in connection with the duties or obligations explicitly herein or in the Bonds assigned to or imposed upon it. The County shall not be liable in connection with the performance of its duties hereunder, except for its own gross negligence or willful misconduct. The County shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements of the Trustee herein or of any of the documents executed by the Trustee in connection with the Bonds, or as to the existence of a default or event of default thereunder.

No provision of this Indenture, the Bonds, the Disclosure Agreements or any agreement, document, instrument or certificate executed, delivered or approved in connection with the issuance, sale, delivery or administration of the Bonds (the "*Bond Documents*") shall require the County to expend or risk its own general funds or otherwise incur any financial liability, the obligations and liabilities of the County hereunder being payable solely from the Revenues and other property pledged hereunder.

Neither the Holders nor any other person shall have any claim against the County or any officer, official, agent or employee of the County for damages suffered as a result of the County's failure to perform in any respect any covenant, undertaking or obligation under any Bond Documents or as a result of the incorrectness of any representation in, or omission from, any of the Bond Documents, except to the extent that any such claim relates to an obligation, undertaking representation or covenant of the County, such as the payment of debt service on the Bonds, that is properly payable pursuant to the Acts and the Refunding Act, and in accordance with the Bond Documents. Nothing contained in any of the Bond Documents shall be construed to preclude any action or proceeding in any court or before any governmental body, agency or instrumentality against the County or any of its officers, officials, agents or employees to enforce the provisions of any of the Bond Documents.

In order to perform its duties and obligations hereunder, the County may employ such agents as it deems necessary or advisable. The County shall not be liable for any of the acts or omissions of such persons or entities employed by it in good faith hereunder and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations and directions of such persons or entities.

**Section 9.02 Benefits of Indenture Limited to Parties.**

Nothing in this Indenture, expressed or implied, is intended to give to any person other than the County, the Trustee, the Administrator and the Holders any right, remedy or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture contained by and on behalf of the County shall be for the sole and exclusive benefit of the Holders and the Trustee.

**Section 9.03 Execution of Documents and Proof of Ownership of Bonds.**

Any request, declaration or other instrument which this Indenture may require or permit to be executed by Holders may be in one or more instruments of similar tenor, and shall be executed by Holders in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Holder or any Holder's attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which such Holder or attorney purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to such officer the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such officer.

Except as otherwise herein expressly provided, the ownership of Bonds and the amount, maturity, number and date of holding the same shall be proved by the Bond Register.

Any request, declaration or other instrument or writing of the Holder of any Bond shall bind all future Holders of such Bond in respect of anything done or suffered to be done by the County or the Trustee in good faith and in accordance therewith.

**Section 9.04 Restrictions upon Action by Individual Holders.**

No holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law on any Bond for the execution of any trust hereunder or for any other remedy unless (a) such holder previously shall have given to the Trustee written notice of the default on account of which such suit, action or proceeding is to be instituted, and (b) the holders of not less than 25% of the Bonds shall have made written request to the Trustee and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted by this Indenture or to institute such action, suit or proceeding in its or their name, and (c) there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time. Such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Indenture or to any other remedy hereunder. Notwithstanding the foregoing provisions of this Section and without complying therewith, the holders of not less than 25% of the Bonds may institute any such suit, action or proceeding in their own names for the benefit of all holders of Bonds.

It is understood and intended that, except as otherwise provided above, no one or more Bondholders shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all Bondholders and that any individual right of action or other right given by law to one or more of such holders is restricted by this Indenture to the rights and remedies herein provided.

**Section 9.05 Moneys and Funds Held for Particular Bonds.**

Amounts held by the Trustee for the payment of the principal or Redemption Price of and interest on Bonds due on any date shall be set aside and held in trust by it solely for the holders of such Bonds pending such payment and shall not be available to pay the principal or Redemption Price of or interest on any other Bonds.

**Section 9.06 Waiver of Personal Liability.**

No officer, official, agent or employee of the County shall be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds; but nothing herein contained shall relieve any such officer, official, agent or employee from the performance of any official duty provided by law.

**Section 9.07 Notices to and Demands on County, Trustee and Administrator.**

(a) Except as otherwise expressly provided in this Indenture, all notices or other instruments required or permitted under this Indenture shall be in writing and shall be telexed, cabled, delivered by hand or mailed by first class mail, postage prepaid, and addressed as follows:

| | |
|---|---|
| If to the County: | Howard County, Maryland<br>George Howard Building<br>3430 Courthouse Drive<br>Ellicott City, Maryland 21043<br>Attention: Director of Finance |
| With a copy to: | Howard County Office of Law<br>Carroll Building<br>3450 Courthouse Drive<br>Ellicott City, Maryland 21043<br>Attention: County Solicitor |
| If to the Trustee: | Manufacturers and Traders Trust Company<br>213 Market Street, 2nd Floor<br>PA1-HM02<br>Harrisburg, Pennsylvania 17101<br>Attention: Nastashia Jackson |
| If to the Administrator: | MuniCap, Inc.<br>8965 Guilford Road, Suite 210<br>Columbia, Maryland 21046<br>Attention: Keenan Rice and Emily Metzler |

Any such notice, demand or request may also be transmitted to the appropriate party by telephone or other electronic transmission and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

Any of such addresses may be changed at any time upon written notice of such change given to the other party by the party effecting the change.

**Section 9.08 Partial Invalidity.**

If any Section, paragraph, sentence, clause or phrase of this Indenture shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The County hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Indenture may be held illegal, invalid or unenforceable.

**Section 9.09 Applicable Law.**

This Indenture shall be governed by and enforced in accordance with the laws of the State of Maryland applicable to contracts made and performed in the State of Maryland.

**Section 9.10 Conflict with Acts.**

In the event of a conflict between any provision of this Indenture with any provision of the Acts or the Refunding Act as in effect on the date of delivery of the Series 2024 Bonds, the provision of the Acts or the Refunding Act, as applicable, shall prevail over the conflicting provision of this Indenture.

**Section 9.11 Payment or Performance on Business Days.**

Except as otherwise expressly provided herein, if any date specified herein for the payment of any Bond or the performance of any act shall not be a Business Day, such payment or performance shall be made on the next succeeding Business Day with the same effect as if made on such date.

**Section 9.12 Intention as to Seal and Contract.**

It is intended that this Indenture, when signed on behalf of the County and the Trustee and duly delivered between them, shall constitute a contractual obligation under seal under the laws of the State of Maryland with force and effect as an agreement and indenture of trust.

**Section 9.13 Counterparts.**

This Indenture may be executed in counterparts, each of which shall be deemed an original.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the County has caused this Indenture to be executed by its Director of Finance and its official seal to be impressed hereon and attested by its Chief Administrative Officer, and the Trustee has caused this Indenture to be executed by one of its duly authorized officers and its seal to be impressed hereon and attested by one of its duly authorized officers, all as of the date first set forth above.

**HOWARD COUNTY, MARYLAND**

By: ____________________________________________
County Executive

[SEAL]

By: ____________________________________________
Director of Finance

Attest:

____________________________________________
Chief Administrative Officer

**APPROVED AS TO FORM AND**
**LEGAL SUFFICIENCY ON**
**THIS ____ DAY OF JUNE, 2024**:

____________________________________________
Gary W. Kuc
County Solicitor

**Reviewing Attorney**:

____________________________________________
Kristen Perry
Deputy County Solicitor

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

[SEAL]

By: ______________________________
Name: ______________________________
Title: ______________________________

Attest:

By: ______________________________
Name: ______________________________
Title: ______________________________

Acknowledged and Accepted:

**MUNICAP, INC.**,
as Administrator

By: ______________________________________
Authorized Officer

**EXHIBIT A**
**TO INDENTURE OF TRUST**

**FORM OF SERIES 2024 BOND**

REGISTERED UNITED STATES OF AMERICA REGISTERED

No. ____ $__________

HOWARD COUNTY, MARYLAND
SPECIAL OBLIGATION REFUNDING BOND
(ANNAPOLIS JUNCTION TOWN CENTER PROJECT)
2024 SERIES

| Dated Date | Interest Rate (Per annum) | Maturity Date | CUSIP |
|---|---|---|---|
| __________ __, 2024 | ___% | February 15, 20_ | |

Registered Owner: _______________

Principal Sum: ________________________________________________ ($___________)

HOWARD COUNTY, MARYLAND, a body politic and corporate and a political subdivision of the State of Maryland (the "*County*"), for value received, hereby promises to pay, but only from the Revenues (defined herein) and other amounts pledged to such payment under the Indenture (defined herein), to the Registered Owner shown above or registered assigns or legal representative, upon the presentation and surrender hereof at the designated office of the Trustee (defined herein), the Principal Sum shown above (or such lesser amount as shall be outstanding hereunder from time to time in accordance with Section 5 hereof) on the Maturity Date shown above (or earlier as hereinafter referred to), with interest thereon from the most recent date to which interest has been paid or, if the Date of Authentication shown below is prior to the first interest payment date, from its Dated Date at the Interest Rate shown above until said Principal Sum is paid, payable on February 15 and August 15 of each year, beginning August 15, 2024.

All interest due on this bond shall be payable to the person in whose name this bond is registered on the bond registration books maintained by Manufacturers and Traders Trust Company, as Trustee (such entity and any successor in such capacity being referred to herein as the "*Trustee*"), as of the close of business on the first day of the calendar month in which the interest payment date occurs and shall be made by check mailed to the address of such owner as it appears on the bond registration books maintained by the Trustee; provided, that if there is a default in the payment of interest due hereon, such defaulted interest shall be payable to the person in whose name this bond is registered as of the close of business on a subsequent date fixed by the Trustee (the "*Special Record Date*") that is at least 10 and not more than 15 days before the date set for the payment of such defaulted interest. Notice of any Special Record Date will be given as hereinafter provided to the registered owner hereof not later than 10 days before the Special Record Date. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The principal or redemption price of and interest on this bond are payable in lawful money of the United States of America or by check payable in such money. If any payment of the principal or redemption price of or interest on this bond shall be due on a day other than a Business Day (as defined in the Indenture), such payment shall be made on the next succeeding Business Day with like effect as if made on the originally scheduled date.

As provided in the Acts (defined herein), the Refunding Act (defined herein), the Authorizing Legislation (defined herein), the Refunding Bond Ordinance (defined herein) and the 2024 Executive Order (defined herein) this bond is a special obligation of the County, payable solely from the Revenues and certain other assets and revenues pledged by the County under the Authorizing Legislation and the Indenture (defined herein), including certain other funds held by the

Trustee under the Indenture. This bond does not constitute a general obligation debt of the County or a pledge of the County's full faith and credit or taxing power. Except for the Revenues, no other taxes or assessments are pledged to the payment of this bond.

1. Indenture. This bond is one of a duly authorized series of bonds of the County designated "Howard County, Maryland, Special Obligation Refunding Bonds (Annapolis Junction Town Center Project), 2024 Series" (the "*Series 2024 Bonds*"), aggregating Fifteen Million Six Hundred Forty Thousand Dollars ($15,640,000) in principal amount, dated as of their date of delivery, and duly issued by the County under and pursuant to (i) Sections 12-201 through 12-213, inclusive, of the Economic Development Article of the Annotated Code of Maryland, as amended (the "*Tax Increment Financing Act*"); (ii) Sections 21-501 through 21-523, inclusive, of the Local Government Article of the Annotated Code of Maryland, as amended (the "*Special Taxing District Act*" and, together with the Tax Increment Financing Act, the "*Acts*"); (iii) Section 19-207 of the Local Government Article of the Annotated Code of Maryland, as amended (the "*Refunding Act*"); (iv) Resolution No. 14-2009 adopted on May 4, 2009 by the County Council of the County (the "*County Council*"), as amended by Resolution No. 40-2011 adopted by the County Council on May 2, 2011, and as further amended by Resolution No. 10-2013 adopted by the County Council on February 4, 2013 (as so amended, the "*Resolution*"), Council Bill No. 21-2009 enacted on May 4, 2009, as amended by Council Bill No. 14-2011 enacted on May 2, 2011, and as further amended by Council Bill No. 5-2013 enacted on February 4, 2013 (as so amended, the "*Bond Ordinance*"), and Council Bill No. 1-2024, as further supplemented and amended from time to time (the "*Refunding Bond Ordinance*" and, together with the Resolution, the "*Authorizing Legislation*"); (v) the 2024 Executive Order issued by the County Executive on June 26, 2024 (the "*2024 Executive Order*") and (vi) the Indenture of Trust dated as of March 1, 2014 (the "*Original Indenture*"), as amended and restated by the Amended and Restated Indenture of Trust dated as of June 1, 2024 (the "*Indenture*"), by and between the County and the Trustee. The terms of the Series 2024 Bonds include those stated in the Indenture, and the Series 2024 Bonds are subject to all such terms. Reference is made hereby to the Indenture for a description of the funds, revenues and property pledged thereunder, the nature and extent of the security created or to be created, and the rights, limitations of rights, obligations, duties and immunities of the County, the Trustee and the holders of the Series 2024 Bonds. By the acceptance of this bond, the holder hereof assents to all of the provisions of the Indenture. Certified copies of the Indenture are on file at the designated office of the Trustee and at the office of the Director of Finance of the County in Ellicott City, Maryland.

2. Revenues. In the Indenture, the County has covenanted to pay the principal of, interest and premium on, the Series 2024 Bonds solely from the Revenues and other amounts pledged therefor under the Indenture.

3. The Series 2024 Bonds. All of the Series 2024 Bonds are of like tenor except as to number, interest rate, maturity date and principal amount.

4. Additional Bonds. The Indenture provides that Additional Bonds (as defined in the Indenture) may be issued within the limitations and provisions of the Indenture (the Series 2024 Bonds and any Additional Bonds being referred to herein, collectively, as "*Bonds*"). All Bonds issued within the limitations and provisions of the Indenture shall be secured equally and ratably by the Revenues and other property pledged under the Indenture, to the extent provided in the Indenture.

5. Redemption and Purchase.

(a) The Series 2024 Bonds at the time outstanding may be redeemed or purchased prior to their respective maturities at the times and in the amounts provided by the Indenture.

(b) The Trustee shall give notice of any redemption or purchase of the Series 2024 Bonds at least 30 days before the redemption date to the registered owners of the Series 2024 Bonds to be redeemed or purchased. The failure so to give any such notice to any of such registered owners shall not affect the validity of the proceedings for the redemption or purchase of any Bonds.

(c) On the date designated for redemption or purchase, notice having been given as provided herein and in the Indenture and any conditions to such redemption or purchase having been satisfied, the Series 2024 Bonds or portions of Series 2024 Bonds so called for redemption or purchase shall become and be due and payable at the redemption price or purchase price provided for redemption or purchase of such Series 2024 Bonds or such portions thereof on such date and, if moneys for the payment of the redemption price or purchase price and accrued interest are held by the Trustee as provided in the Indenture, interest on such Series 2024 Bonds or such portions thereof so called for redemption or purchase shall cease to accrue, such Series 2024 Bonds or such portions thereof so called for redemption or purchase shall cease to be entitled to any benefit or security under the Indenture, and the registered owners thereof shall have no rights in respect of such Series 2024 Bonds or such portions thereof so called for redemption or purchase except to receive payment of the redemption price or purchase price thereof and the accrued interest thereon so held by the Trustee. If a portion of this Series 2024 Bond shall be called for redemption or purchase, a new Series 2024 Bond or Series 2024 Bonds in aggregate principal amount equal to the unredeemed or unpurchased portion hereof, of the same maturity and bearing interest at the same rate, shall be issued to the registered owner upon the surrender hereof.

(d) Provisions Applicable to Book-Entry Bonds. So long as all of the Series 2024 Bonds shall be maintained in book-entry form with a Securities Depository (as defined in the Indenture) in accordance with the Indenture, in the event that part, but not all, of this bond shall be called for redemption, the holder of this bond may elect not to surrender this bond in exchange for a new Series 2024 Bond in accordance with paragraph (c) above and in such event shall make a notation indicating the principal amount of such redemption and the date thereof on the Payment Grid attached hereto. For all purposes, the principal amount of this bond outstanding at any time shall be equal to the Principal Sum shown on the face hereof reduced by the principal amount of any partial redemption of this bond following which the holder of this bond has elected not to surrender this bond in accordance with paragraph (c) above. The failure of the holder hereof to note the principal amount of any partial redemption on the Payment Grid attached hereto, or any inaccuracy therein, shall not affect the payment obligation of the County hereunder. THEREFORE, IT CANNOT BE DETERMINED FROM THE FACE OF THIS BOND WHETHER A PART OF THE PRINCIPAL OF THIS BOND HAS BEEN PAID.

6. Defeasance. The Indenture prescribes the manner in which it may be discharged and provides that Series 2024 Bonds shall be deemed to be paid if moneys or certain Government Obligations (as defined in the Indenture), the principal of and interest on which, when due, will be sufficient to pay the principal or redemption price of and interest on such Bonds to the date of maturity or redemption thereof, shall have been deposited with the Trustee.

7. Persons Deemed Owners; Restrictions upon Actions by Individual Holders. The County and the Trustee may deem and treat the person in whose name this bond is registered as the absolute owner hereof (whether or not this bond shall be overdue and notwithstanding any notation of ownership or other writing hereon made by anyone other than the County or the Trustee) for the purpose of receiving payment of or on account of the principal or redemption price of this bond, and for all other purposes except as otherwise provided herein with respect to the payment of interest on this bond, and neither the County nor the Trustee shall be affected by any notice to the contrary. All such payments so made to any such registered owner, or upon his order, shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable under this bond.

The registered owner of this bond shall have no right to enforce the provisions of the Indenture, or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

8. Transfer and Exchange. This bond may be exchanged for an equal aggregate principal amount of Series 2024 Bonds of other authorized denominations, and the transfer of this bond may be registered, upon presentation and surrender of this bond at the designated office of the Trustee, together with an assignment duly executed by the registered owner hereof or such owner's attorney or legal representative. The County and the Trustee may require the person requesting any such exchange or transfer to reimburse them for any tax or other governmental charge payable in connection therewith. Neither the County nor the Trustee shall be required to register the transfer of this bond or make any such exchange of this bond during the 15 days preceding an Interest Payment Date, during the 15 days preceding the date of mailing of any notice of redemption, or after this bond or any portion hereof has been selected for redemption.

9. Modifications. Modifications or alterations of the Indenture may be made only to the extent and in the circumstances permitted by the Indenture.

10. Negotiability. As declared by the Acts and the Refunding Act, this bond shall be and be deemed to be for all purposes a negotiable instrument subject only to the provisions for registration and registration of transfer stated herein.

11. Governing Law. This bond shall be governed by and construed in accordance with the laws of the State of Maryland.

12. Notices. Except as otherwise provided in the Indenture and this bond, when the Trustee is required to give notice to the owner of this bond, such notice shall be mailed by first-class mail to the registered owner of this bond at such

owner’s address as it appears on the registration books maintained by the Trustee. Any notice mailed as provided herein will be conclusively presumed to have been given, whether or not actually received by the addressee.

All acts, conditions and things required by the Constitution and laws of the State of Maryland and the Charter, laws, rules and regulations of the County to happen, exist and be performed precedent to and in the issuance of this bond and the execution and delivery of the Indenture have happened, exist and have been performed as so required.

No recourse shall be had for the payment of the principal or redemption price of and interest on this bond or for any claims based thereon or on the Indenture against any member or other officer of the County or any person executing this bond, all such liability, if any, being expressly waived and released by the registered owner of this bond by the acceptance of this bond.

This bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture until it shall have been authenticated by the execution by the Trustee of the certificate of authentication endorsed hereon.

[signatures appear on the following page]

IN WITNESS WHEREOF, Howard County, Maryland has caused this bond to be executed in its name by the manual or facsimile signatures of its County Executive and Director of Finance and its corporate seal (or a facsimile thereof) to be hereunto affixed, imprinted, engraved or otherwise reproduced, attested by the manual or facsimile signature of the Chief Administrative Officer; all as of the Dated Date set forth above.

**HOWARD COUNTY, MARYLAND**

By: ______________________________
County Executive

[SEAL]

By: ______________________________
Director of Finance

Attest:

______________________________
Chief Administrative Officer

[Certificate of Authentication]

This bond is one of the bonds of the series designated herein and issued under the provisions of the within-mentioned Indenture.

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

By: ______________________________
Authorized Officer

Date of Authentication: ________________

PAYMENT GRID

| Date of Payment | Principal Amount Paid | Principal Amount Outstanding | Holder’s Signature |
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ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto ______________________________________________________________________________
______________________________________________
(Please Print or Type Name and Address of Assignee)

the within bond and all rights thereunder and hereby irrevocably does constitute and appoint ____________________________ attorney to transfer the bond on books kept for the registration thereof, with full power of substitution in the premises.

Dated:________________

Signature Guaranteed:

________________________________

____________________________________________
(Name of Registered Owner)
Notice: The signature above must correspond with the name of the registered owner as it appears on the front of this Bond in every particular without alteration or enlargement or any change whatsoever.

___________________________________
(Please Insert Social Security or other Identifying Number of Assignee)

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# APPENDIX D

## Proposed Form of Bond Counsel Opinion

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[Closing Date]

Howard County, Maryland
Columbia, Maryland

$15,640,000
Howard County, Maryland
Special Obligation Refunding Bonds
(Annapolis Junction Town Center Project)
2024 Series

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by Howard County, Maryland (the "County") of its $15,640,000 Special Obligation Refunding Bonds (Annapolis Junction Town Center Project) 2024 Series (the "Bonds"). The Bonds are being issued under and pursuant to (i) Sections 12-201 through 12-213, inclusive, of the Economic Development Article of the Annotated Code of Maryland, as amended (the "Tax Increment Financing Act"), (ii) Sections 21-501 through 21-523, inclusive, of the Local Government Article of the Annotated Code of Maryland, as amended (the "Special Taxing District Act"); (iii) Section 19-207 of the Local Government Article of the Annotated Code of Maryland, as amended (the "Refunding Bonds Act" and, collectively with the Tax Increment Financing Act and the Special Taxing District Act, the "Acts"); (iv) Resolution No. 14-2009 adopted by the County Council of Howard County, Maryland (the "County Council") on May 4, 2009, as amended by Resolution No. 40-2011 adopted on May 2, 2011 and as further amended by Resolution No. 10-2013 adopted on February 4, 2013 (the "Resolution"); (v) Council Bill No. 21-2009 enacted by the County Council on May 4, 2009, as amended by Council Bill No. 14-2011 enacted on May 2, 2011, and as further amended by Council Bill No. 5-2013 enacted on February 4, 2013 (the "Ordinance"); (vi) Council Bill No. 1-2024 enacted by the County Council on February 5, 2024 (the "Refunding Bond Ordinance" and, collectively with the Resolution and the Ordinance, the "Authorizing Legislation"); and (iii) an Indenture of Trust dated as of March 1, 2014, as amended and restated by the Amended and Restated Indenture of Trust, dated as of June 1, 2024 (as amended and restated, the "Indenture"), by and between the County and Manufacturers and Traders Trust Company, as trustee (the "Trustee"). The Bonds mature, bear interest and contain such other terms and conditions as set forth in the Bonds.

Capitalized terms not otherwise defined herein shall have the meanings given such terms in the Indenture.

We have examined the law and such certified proceedings and other papers as we deem necessary to render this bond counsel opinion.

As to questions of fact material to our opinion, we have relied upon (i) representations of the County contained in the Indenture and the Tax Compliance Certificate dated the date hereof delivered by the County in connection with the issuance and sale of the Bonds (the "Tax Compliance Certificate"); and (ii) the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

We have assumed the accuracy and truthfulness of all public records and of all certifications, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities, and we have not independently verified the accuracy or truthfulness thereof. We have also assumed the genuineness of the signatures appearing upon such public records, certifications, documents and proceedings.

We have assumed the authenticity of all documents submitted to us as originals, the genuineness of all signatures, the conformity to original documents of all documents submitted to us as certified or photo static copies and the authenticity of the originals of such latter documents.

The scope of our engagement as bond counsel extends solely to an examination of the facts and law incident to rendering the opinions specifically expressed herein.

We are qualified to practice law in the State of Maryland, and we do not purport to be experts on, or to express any opinion herein concerning, any law other than the law of the State of Maryland and the federal law of the United States of America.

We have not examined, and express no opinion as to, the existence of or title to real or personal property and, except as expressly stated herein, we express no opinion as to the creation, validity or priority of any lien upon, assignment of, pledge of or security interest in real or personal property.

Based on our examination and subject to the foregoing, we are of the opinion, as of the date hereof and under existing law, as follows:

1. The County, as a validly existing body politic and corporate and a political subdivision of the State of Maryland, possesses the authority under the Acts and the Authorizing Legislation to issue the Bonds.

2. The County has the full power and authority under the Acts to adopt the Authorizing Legislation and to perform its obligations thereunder. The Authorizing Legislation has been duly adopted, has not been amended (except as described herein) or rescinded, and is in full force and effect.

3. The Indenture has been duly authorized, executed, and delivered by the County and, assuming the due authorization, execution and delivery thereof by the Trustee, constitutes the valid and binding obligation of the County, enforceable against the County in accordance with its terms.

4. The Bonds have been duly authorized and legally issued in accordance with the Acts and the Authorizing Legislation. The Bonds have been duly executed and delivered by the County and, assuming their due and proper authentication by the Trustee, are valid and binding special obligations of the County, payable solely from the Tax Increment Revenues and Special Tax Revenues (collectively, the "Revenues") and certain other assets and revenues of the Districts pledged by the County under the Indenture, to the extent provided in the Indenture, including amounts deposited in certain funds and accounts held by the Trustee and the County under the Indenture.

5. As provided in the Acts, the Bonds do not constitute a general obligation debt of the County or a pledge of the County's full faith and credit or taxing power. The Bonds are not an indebtedness of the County within the meaning of the County's Charter. Except for the Revenues, no other taxes or assessments are pledged to the payment of the Bonds.

6. Under existing laws, regulations, rulings and judicial decisions, the interest on the Bonds, (a) is excludable from gross income of the owners thereof for federal income tax purposes, and (b) is not a specific item of tax preference for purposes of the federal alternative minimum tax. However, such interest is included in the "adjusted financial statement income" (as defined in Section 56A of the Code) of certain corporations in determining the applicability and amount of the federal corporate alternative minimum tax amount under Section 55(b) of the Code.

7. Under existing law of the State of Maryland, the principal amount of the Bonds, the interest payable on the Bonds, their transfer, and any income from the Bonds, including any profit made in the sale or transfer thereof, are exempt from state and local taxes in the State of Maryland; however, the law of the State of Maryland does not expressly refer to, and no opinion is expressed concerning, estate or inheritance taxes, or any other taxes not levied directly on the Bonds or the interest thereon.

The opinions set forth in the paragraph numbered 6 above assume, and are subject to, continuing compliance by the County with the covenants regarding federal tax law set forth in the Indenture and the Tax Compliance Agreement. Failure to comply with such covenants could cause interest on the Bonds to be included in the gross income of the holders of the Bonds retroactive to the date of issue of the Bonds.

The accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the recipient. The extent of these other tax consequences will depend upon the recipient's particular status or other items of income or deduction. We express no opinion regarding any such consequences. Purchasers of the Bonds, particularly purchasers that are corporations (including S Corporations and foreign corporations operating branches in the United States), property and casualty insurance companies, banks, thrifts or other financial institutions, recipients of Social Security or Railroad Retirement Benefits or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations such as the Bonds, should consult their tax advisors concerning their tax consequences of purchasing and holding the Bonds.

It is to be understood that the rights of any holder of the Bonds and the enforceability of the Indenture and the Bonds may be subject to (a) bankruptcy, insolvency, reorganization, moratorium and other similar laws heretofore or hereafter in effect affecting creditors' rights, to the extent constitutionally applicable, (b) 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 (c) the exercise of judicial discretion in accordance with general principles of equity (whether applied in a court of law or a court of equity).

Very truly yours,

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# APPENDIX E

## Proposed Form of Developer's Continuing Disclosure Agreement

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**DEVELOPER CONTINUING DISCLOSURE AGREEMENT**

This Developer Continuing Disclosure Agreement (this “Agreement”) by and between Annapolis Junction Town Center, LLC, a Maryland limited liability company (the “Developer”) and MuniCap, Inc. (the “Administrator”), dated as of June 1, 2024, is being entered into in connection with the issuance of $15,640,000 aggregate principal amount of Howard County, Maryland Special Obligation Refunding Bonds (Annapolis Junction Town Center Project) 2024 Series (the “Bonds”). The Bonds were issued pursuant to an Amended and Restated Indenture of Trust dated as of June 1, 2024 (the “Indenture”) between Manufacturers and Traders Trust Company, as Trustee (the “Trustee”) and Howard County, Maryland (the “County”).

The Developer and the Administrator hereby covenant and agree as follows:

**Section 1.** ***Purpose of the Developer Continuing Disclosure Agreement***. This Agreement is being executed and delivered by the Developer and the Administrator for the benefit of the Bondholders and the Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule (as defined below).

**Section 2.** ***Definitions***. Terms not otherwise defined herein shall have the meanings set forth in the Official Statement (defined below).

“Affiliate” as applied to any Person, means any other Person directly or indirectly controlling, controlled by, or under common control with, that Person. For the purposes of this definition, “control” (including with correlative meanings, the terms “controlling”, “controlled by” and “under common control with”), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities, partnership interests, membership interests or by contract or otherwise.

“Credit Facility” means any financing arrangement entered into (other than the Bonds) to finance the construction of the Development.

“County’s Continuing Disclosure Agreement” shall mean the County Continuing Disclosure Agreement of an even date herewith by and among the Trustee, the Administrator and the County.

“Official Statement” means the Official Statement with respect to the Bonds dated June 13, 2024.

“Owners” means, collectively, the Developer and its Affiliates. Each of the Owners is referred to herein individually as an “Owner.”

“Participating Underwriter” means Mesirow Financial, Inc.

“Person” means an individual, estate, trust, corporation, partnership, limited liability company or any other organization or entity (whether governmental or private).

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, as in effect on the date of this Agreement, including any official interpretations thereof issued either before or after the effect date of this Agreement which are applicable to this Agreement.

“Transferred Property” means, collectively, (a) the Residential Structure and the Office Structure and (b) any other property conveyed pursuant to a Transfer (as defined in Section 14 of this Agreement) as set forth in Section 14 of this Agreement.

**Section 3.** ***Provision of Information***. The Developer shall, within thirty (30) days of the end of each calendar quarter, commencing with the calendar quarter ending September 30, 2024, provide the Administrator with the following information, and the Administrator shall cause said information to be provided to the County within fifteen (15) days of receipt.

(i) A statement as to the status of the completion of the Development and the Project described in the following section of the Official Statement: “ANNAPOLIS JUNCTION TOWN CENTER DEVELOPMENT”, including, but not limited to, (a) percentage of completion of public improvements in the Development; (b) percentage of completion for the residential, retail, office, and hotel components of the Development; (c) the amount of square footage by building type for which an occupancy certificate has been issued; (d) material changes by the Developer in the make-up or composition of the residential, retail, office and hotel components of the Development; (e) general construction contracts entered into by any of the Owners for construction of the public improvements, retail and residential components of the Development; and (f) any expected material delays in the construction or absorption schedule for the Development;

(ii) (A) the percentage of the Owner's retail space under lease in the District and the percentage of revenues represented by the Owner's retail leases expiring by year in the District, (B) the occupancy rate for Owner's rental apartments in the District, and (C) sales by any Owner of any property within the District by development type;

(iii) Information regarding changes to the Development necessary, as determined by the Administrator, to calculate changes to the Required Maximum Special Tax (as defined in the Indenture) as shall be required by the County;

(iv) (a) A statement as to the status of obtaining a Credit Facility by any Owner for the construction of the remainder of the public improvements and the residential and retail components of the Development, (b) any increase or decrease in the loan amount under any such Credit Facility, (c) a report of current loan balances under any Credit Facility, (d) any delay in meeting funding thresholds under any such Credit Facility or rejection or refusal by the lender thereunder to fund draws other than for administrative reasons, and (e) any failure or refusal by the lender under any such Credit Facility to extend the term of such Credit Facility beyond the maturity date as permitted under the terms of such Credit Facility;

(v) A statement as to material changes, if any, in the form, organization or ownership of the Developer or any of the Owners;

(vi) A statement as to the existence of any legislative, administrative or judicial challenges to the construction of a material portion of the Project or the Development or the validity of any public approvals for a material portion of the Development;

(vii) Any material amendment or supplement to the Funding Agreement or the PPP Agreement;

(viii) A statement as to any default under the Funding Agreement or the PPP Agreement;

(ix) A statement or statements as to the status of any adverse litigation (A) against the Developer or any of the Owners which would materially adversely affect such party's ability to perform its obligations under its respective Developer Documents or (B) against the Developer or any of the Owners with claim for damages in excess of $500,000 and which may materially adversely affect the completion of the Development;

(x) Any tax assessment appeals by the Developer or any of the Owners ;

(xi) Any changes to zoning within the Development; and

(xii) With respect to any Transferred Property (and the subsequent owner thereof), the information and reports set forth in those clauses of this Section 3 that are listed in subsections (a) and (b) of Section 14, solely to the extent the Developer has actual knowledge thereof.

**Section 4.** ***Reporting of Significant Events***. Whenever the Developer obtains actual knowledge of the occurrence of one or more of the following events, the Developer shall immediately report such event to the County as set forth herein:

(i) failure to pay any real property taxes or Special Taxes levied on a parcel in the District owned by the Developer or any of the Owners;

(ii) any appeal the Developer or any of the Owners of any real property taxes or Special Taxes levied on a parcel in the District owned by the Developer or any of the Owners;

(iii) material damage to or destruction of any development or improvements within the District;

(iv) an Event of Default on any loan (as defined thereunder) by the Developer or any of the Owners with respect to the construction or permanent financing of the Development or which is otherwise secured by property within the Development;

(v) the filing by or against the Developer or any of the Owners of a bankruptcy petition or any determination that the Developer or any of the Owners that owns property within the District, is unable to pay its debts as they become due;

(vi) the filing of any lawsuit against either the Developer or any of the Owners with claim for damages in excess of $500,000 and which may materially adversely affect the completion of the Development;

(vii) any Transfer as set forth in Section 14 hereof; and

(viii) with respect to any Transferred Property (and the subsequent owner thereof), the information and reports set forth in this Section 4 (in the same time and manner set forth herein), solely to the extent the Developer has actual knowledge thereof.

**Section 5.** ***Termination of Reporting Obligation***. The obligations of the Developer under this Agreement, or any transferee under this Agreement assumed pursuant to Section 14 hereof, shall terminate at such time as the Bonds are no longer Outstanding.

**Section 6.** ***Rights of Bondholders to Enforce Agreement***. In the event of a failure by the Administrator or the Developer to comply with any provision contained herein, any holder of Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause compliance with the obligations hereunder.

**Section 7.** ***Limited Liability of Developer and the Administrator***. No person shall have any claim against the Developer, the Administrator, or any of their officers, officials, agent or employees for damages suffered as a result of the failure of the Developer or the Administrator to perform in any respect any covenant, undertaking, or obligation under this Agreement provided, however, that nothing contained herein shall be construed to preclude any action or proceeding in any court against the Developer, the Administrator or any of their officers, officials, agent or employees to specifically enforce the provisions of this Agreement pursuant to Section 6 of this Agreement.

**Section 8.** ***Notices***. Any notice or communications to or among any of the beneficiaries to this Agreement must be given as follows:

If to the Trustee:
Manufacturers and Traders Trust Company
One Light Street, 14th Floor
Baltimore, Maryland 21202
Attention: Corporate Trust Administration

If to Developer:
Annapolis Junction Town Center, LLC
4816 Del Ray Avenue
Bethesda, Maryland 20814
Attention: Neil Greenberg

If to the County:
Howard County Department of Finance
George Howard Building
3430 Courthouse Drive
Ellicott City, Maryland 21043
Attention: Director of Finance

With a copy to:
Howard County Office of Law
Carroll Building
3450 Courthouse Drive
Ellicott City, Maryland 21043
Attention: County Solicitor

If to the Administrator: MuniCap Inc.
8965 Guilford Road
Suite 210
Columbia, MD 21046
Attention: Keenan Rice

**Section 9.** ***Limitation on Forum***. Any suit or other proceeding seeking redress with regard to any claimed failure by the Developer to perform their obligations under this Agreement must be filed in the State of Maryland.

**Section 10.** ***Amendment; Waiver***. Notwithstanding any other provision of this Agreement, the Administrator and the Developer may amend this Agreement and any provision of this Agreement may be waived, provided that the following conditions are satisfied:

(a) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds (assuming the Rule applied), after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of the Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Agreement, the Developer shall cause the Administrator to describe such amendment in the next report provided pursuant to Section 3 of this Agreement, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of information being presented by Developer.

**Section 11.** ***Beneficiaries***. This Agreement shall inure solely to the benefit of the Developer, the County, the Administrator, the Principal Underwriter, and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

**Section 12.** ***Governing Law***. This Agreement shall be governed by and construed in accordance with the laws of the State of Maryland.

**Section 13.** ***Counterparts***. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**Section 14.** ***Reporting Obligations Upon a Transfer***. If property within the District is conveyed to a person or entity other than an Affiliate of the Developer (a “Transfer”), then the Developer shall provide to the County notice of such Transfer (which notice shall include information with respect to the Transferred Property and the subsequent owner thereof). Notwithstanding anything to the contrary in this Agreement, upon the occurrence of a Transfer, the Developer shall only be responsible for reporting the information and events with respect to such Transferred Property as set forth below, in each case solely to the extent the Developer has actual knowledge thereof:

(a) The Developer shall continue to provide, with respect to any Transferred Property, the information set forth in Section 3(i) hereof (in the same time and manner set forth therein) with respect to the status of the completion of the construction of the Development on the Transferred Property until the time such construction is complete and the County has issued a certificate occupancy with respect to such Transferred Property (as reported by the County pursuant to Section 4(xviii) of the County’s Continuing Disclosure Agreement).

(b) The Developer shall continue to provide, with respect to any Transferred Property (and the subsequent owner thereof), the information and reports set forth in Sections 3(vi), (ix), (x), (xi) and Section 4 hereof (in the same time and manner set forth therein).

**Section 15.** ***Reporting Obligations With Respect to Owners***. Notwithstanding anything to the contrary in this Agreement, with respect to the Owners that are the Affiliates of the Developer, the Developer shall only be responsible for reporting the information and events with respect to such Owners as set forth in this Agreement to the extent the Developer has actual knowledge thereof.

**Section 16.** ***Administrator***. Initially, MuniCap, Inc. has been hired to perform the duties and obligations of the Administrator hereunder pursuant to the Agreement PA 78-2014 between the County and MuniCap, Inc.

[Signature Page Follows]

**ANNAPOLIS JUNCTION TOWN CENTER, LLC**,
a Maryland limited liability company

By: ___________________________________________
Name: _________________________________________
Title: __________________________________________

**MUNICAP, INC.**, as Administrator

By: ___________________________________________
Name: _________________________________________
Title: __________________________________________

ACKNOWLEDGED:

**HOWARD COUNTY, MARYLAND**

By: ______________________________________

Name: ____________________________________

Title: _____________________________________

# APPENDIX F

## Proposed Form of County's Continuing Disclosure Agreement

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## COUNTY CONTINUING DISCLOSURE AGREEMENT

This County Continuing Disclosure Agreement (this "Agreement") by and among Howard County, Maryland, a body corporate and politic and a political subdivision of the State of Maryland (the "County"), MuniCap, Inc. (the "Administrator") and Manufacturers and Traders Trust Company, as Trustee (the "Trustee") on behalf of the owners of the Bonds (defined below), dated as of June 1, 2024, is being entered into in connection with the issuance of $15,640,000 aggregate principal amount of Howard County, Maryland Special Obligation Refunding Bonds (Annapolis Junction Town Center Project) 2024 Series (the "Bonds"). The Bonds were issued pursuant to an Amended and Restated Indenture of Trust dated as of June 1, 2024 (the "Indenture") between the Trustee and the County.

The Trustee, the Administrator and the County hereby covenant and agree as follows:

**Section 1.** ***Purpose of the County Continuing Disclosure Agreement***. This Agreement is being executed and delivered by the County, the Administrator and the Trustee for the benefit of the Bondholders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule (as defined below).

**Section 2.** ***Definitions***. Terms not otherwise defined herein shall have the meanings set forth in the Official Statement (defined below).

"Administrator" shall mean MuniCap, Inc., or any successor appointed by the County hereunder.

"Annual Report" shall mean the annual report prepared and disseminated to the MSRB containing the information set forth in Section 3(a) of this Agreement.

"Developer's Continuing Disclosure Agreement" shall mean the Developer Continuing Disclosure Agreement of even date herewith by and between the Administrator and the Developer.

"Financial Obligations" means any of the following (a) a debt obligation; (b) a derivative instrument entered into in connection with or pledged as security or a source of payment for an existing or planned debt obligation; or (c) the guarantee of (a) or (b). The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Listed Events" shall mean any of the events listed in Section 4 of this Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, or any successor thereto or to the functions of the MSRB contemplated by this Agreement.

"Official Statement" means the Official Statement with respect to the Bonds dated June 13, 2024.

"Participating Underwriter" means Mesirow Financial, Inc.

"Person" means an individual, estate, trust, corporation, partnership, limited liability company or any other organization or entity (whether governmental or private).

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, as in effect on the date of this Agreement, including any official interpretations thereof issued either before or after the effective date of this Agreement which are applicable to this Agreement.

**Section 3.** ***Provision of Information***. (a) The Administrator shall not later than February 1 of each year, commencing February 1, 2025, provide an Annual Report to the County containing or incorporating by reference the information set forth below (as of January 1 of such year) and the County shall not later than March 1 of such year, commencing March 1, 2025, provide such Annual Report to the MSRB:

(i) The balance of the funds and accounts created under the Indenture;

(ii) Any changes to the Rate and Method since the report of the previous year;

(iii) Any changes in the tax rates or the assessment methodology utilized for the levy of ad valorem real property taxes for the County;

(iv) Special Tax roll for all taxable parcels within the District, including a breakdown showing: (i) the current taxable parcels in the District; (ii) the Special Tax levied and assessed for each taxable parcel, including any adjustments to the Special Taxes as provided for in the Rate and Method; (iii) any prepayments of the Special Tax as provided for in the Rate and Method; and (iv) any termination of the Special Tax as provided for in the Rate and Method;

(v) Any reclassification of property within the District from Taxable Property to Public Property or Owner Association Property;

(vi) The total assessed valuations all Taxable Property in the District;

(vii) The amount of any pending appeals of assessed valuations of land within the Development;

(viii) The current ad valorem real property tax rate applicable to property within the Development;

(ix) The amount of the tax increment for property within the District;

(x) Update on all tax bill delinquencies and collections of past due tax bills with respect to property in the District;

(xi) Any tax certificate sales of property in the District by affected tax parcel, building type, square footage and delinquency amount;

(xii) Calculation of debt service coverage with respect to the Bonds;

(xiii) Whether there are any defaults under the Indenture, the Funding Agreement or the PPP Agreement which have resulted in mediation or litigation of which the Administrator has actual knowledge;

(xiv) Any significant legal challenges to the construction of the Development of which the Administrator has actual knowledge;

(xv) The overall status of the Development since the report of the previous year of which the Administrator has actual knowledge; and

(xvi) Appointment of a successor or additional trustee or the change of name of the trustee, if material.

(b) If the County is not able to provide the Annual Report to the MSRB within such time prescribed in subsection (a) of this section, then the County in a timely manner will provide notice of the late submission of annual financial information to the MSRB.

(c) The County shall provide documentation to the Developer, the Administrator, the Participating Underwriter, and the Trustee certifying that the Annual Report has been provided to the MSRB pursuant to this Agreement and stating the date it was provided.

(d) In addition to the Annual Report, the County shall promptly provide to the MSRB such continuing disclosure information provided to the County by the Trustee or the Administrator pursuant to Section 4 below and by the Developer as more particularly set forth in the Developer's Continuing Disclosure Agreement.

(e) Unless otherwise required by the MSRB, all notices, documents and information provided to the MSRB shall be provided to the MSRB's Electronic Municipal Market Access (EMMA) system, the current Internet Web address of which is www.emma.msrb.org or in accordance with any other electronic filing systems or procedures authorized by the Securities and Exchange Commission for satisfying the filing requirements of the Rule. All notices, documents and information provided to the MSRB shall be in an electronic format as prescribed by the MSRB, together with any cover sheet or identifying information prescribed by the MSRB.

**Section 4.** ***Reporting of Significant Events***. The County shall promptly file with the MSRB a notice of the occurrence of any of the following Listed Events, in each case in a timely manner not in excess of ten (10) business days after the occurrence of any of such Listed Events:

(i) Delinquency in payment when due of any principal of or interest on the Bonds;

(ii) Occurrence of any non-payment related defaults, if material;

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

(iv) Any unscheduled draws on any credit enhancement reflecting financial difficulties;

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

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701–TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(vii) Modifications to rights of Bondholders, if material;

(viii) Bond calls, if material, and tender offers;

(ix) Defeasances;

(x) The release, substitution or sale of property securing repayment of the Bonds, if material;

(xi) Any change in the rating, if any, on the Bonds;

(xii) Bankruptcy, insolvency, receivership or similar event of the County;

Note to paragraph (xii): For the purposes of the event identified in paragraph (xii), the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for the County in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the County, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County.

(xiii) The consummation of a merger, consolidation or acquisition involving the County or sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) Incurrence of a Financial Obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the County, any of which affect Bondholders, if material;

Note to paragraph (xv): In determining whether an event triggers notice under paragraph (xv), the County will consider a variety of factors including, but not limited to, the source of repayment for the subject Financial Obligation and whether such source also serves as the source of repayment of the Bonds. The County notes that the Bonds are not backed by the County's full faith and credit.

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the County, any of which reflect financial difficulties;

Note to paragraph (xvi): If the County provides a notice under paragraph (xvi), such notice will indicate that the Bonds are not backed by the County's full faith and credit;

(xvii) Any failure of the County to transfer the Tax Increment Revenues or the Special Tax Revenues to the Trustee as required by the Indenture; and

(xviii) The continuing disclosure event notices provided to the Administrator by the Developer as more particularly set forth in the Developer's Continuing Disclosure Agreement.

The Administrator and the Trustee shall promptly (but in any event in time for the County to file the notice of such Listed Event within the time required by this Section) provide the County with notice of the occurrence of any of the Listed Events of which the Administrator or the Trustee, as applicable, has actual knowledge. For purposes of this section, "actual knowledge" of the Administrator or the Trustee of the occurrence of such Listed Events shall mean actual knowledge by an officer of the Administrator or the Trustee with responsibility for matters regarding the District or the Indenture, as applicable, or actual knowledge by an authorized representative of the Administrator or the Trustee with responsibilities for matters contained herein. Actual knowledge of the Listed Events specified by clause (vi) of this Section, shall mean receipt by an officer of the Trustee or the Administrator with responsibility for matters regarding the District or the Indenture or for the matters contained herein of a letter of Bond Counsel addressed to the Trustee and/or the Administrator, as applicable, explicitly pertaining to the Bonds, and providing such opinion or specifying such event and its effect on such tax status. If a Listed Event pursuant to clauses (ii), (vii), (x), (xiii), (xiv) or (xv) above occurs, the County shall make a determination of whether an event is material.

**Section 5.** ***Limitation on Remedies***. The County and the Administrator shall be given written notice at the addresses set forth in Section 11 below of any claimed failure by the County or the Administrator (as the case may be) to perform its obligations under this Agreement, and the County or the Administrator (as the case may be) shall be given 15 days to remedy any such claimed failure. Any suit or other proceeding seeking further redress with regard to any such claimed failure by the County or the Administrator (as the case may be) shall be limited to specific performance as the adequate and exclusive remedy available in connection with such action. If the Developer fails to provide the County with the continuing disclosure event notices required under the Developer's Continuing Disclosure Agreement, then the County shall pursue any remedies available under such agreement.

**Section 6.** ***Limitation on Forum***. Any suit or other proceeding seeking redress with regard to any claimed failure by the County to perform its obligations under this Agreement must be filed in the State of Maryland.

**Section 7.** ***Limited Liability of County and Administrator***.

(a) Limited Liability of County. Any and all obligations of the County arising out of, or related to, this Agreement are special obligations of the County and may not constitute a general obligation debt of the County or a pledge of the County's full faith and credit, and the County's obligations to make any payments hereunder, including any and all payments to the Administrator, are restricted entirely to the Tax Increment Revenues and Special Tax Revenues or from the proceeds of the Bonds and from no other source. No person, including any holder of a Bond, shall have any claim against the County or any of its officers, officials, agents or employees for damages suffered as a result of the County's failure to perform in any respect any covenant, undertaking, or obligation under this Agreement, the Bonds or any other agreement, document, instrument or certificate executed, delivered or approved in connection with the issuance, sale and delivery of the Bonds (collectively, the "Bond Documents") or as a result of the incorrectness of any representation in, or omission from, any of the Bond Documents, except to the extent that any such claim is properly payable from the Tax Increment Revenues and the Special Tax Revenues pursuant to the Bond Documents, provided however, that, subject to Sections 5 and 6 above, nothing contained herein shall be construed to preclude any action or proceeding in any court or before any governmental body, agency or instrumentality against the County or any of its officers, officials, agents or employees to enforce the provisions of this Agreement or any of the Bond Documents, and, provided, further, that the limitation on liability of the County set forth in this Section 7 shall in no way supercede the limitations on remedies in Section 5 above.

(b) Limited Liability of Administrator. No person shall have any claim against the Administrator or any of its officers, officials, agents or employees for damages suffered as a result of the failure of the Administrator to perform in any respect any covenant, undertaking, or obligation under this Agreement; provided however, that, subject to Section 5 above, nothing contained herein shall be construed to preclude any action or proceeding in any court or before any governmental body, agency or instrumentality against the Administrator or any of its officers, officials, agents or employees to enforce the provisions of this Agreement, and, provided, further, that the limitation on liability of the Administrator set forth in this Section 7 shall in no way supersede the limitations on remedies in Section 5 above. The Administrator shall not be responsible for the content of information provided to the Administrator by other parties and included in the Annual Report.

**Section 8.** ***Nature and Obligation of County***. (a) The County agrees (i) to use commercially reasonable efforts to hire and retain the Administrator or another competent individual or entity to perform the duties and obligations of the Administrator relating to the continuing disclosure as set forth in Sections 3 and 4 and (ii) to require the Administrator, or such other competent individual or entity, to perform its obligations hereunder.

(b) If, despite commercially reasonable efforts, the County is unable to hire or retain the Administrator or another competent individual or entity to perform the duties and obligations of the Administrator as described in paragraph (a) above, the County agrees it will still provide or cause to be provided the information described in clauses (i), (ii) and (iii) of Section 3 and in Section 4 to the MSRB as required by such Sections.

(c) If the County is performing the duties and obligations of the Administrator as described in paragraph (b) above, the County shall be entitled to be reimbursed for any and all reasonable costs and expenditures associated with its performance of such duties and obligations.

(d) It is hereby acknowledged by the parties to this Agreement that any and all (i) fees or costs necessary to hire and retain the services of the Administrator or (ii) costs and expenditures of the County associated with its performance of the duties and obligations of the Administrator constitute Administrative Expenses as provided in the Indenture.

**Section 9.** **Nature of Obligation of Administrator**. The Administrator shall act on behalf of the County and shall have only those duties relating to continuing disclosure as set forth in Sections 3 and 4 above. The Administrator shall not be deemed to be acting in a fiduciary capacity for the Developer, the Trustee, the Holders of the Bonds or any party other than the County for the purpose of complying with its obligation to provide continuing disclosure. The Administrator accepts its responsibilities under this Agreement subject to the Administration Agreement (defined below). The Administrator may resign its duties under this Agreement as provided for in the Administration Agreement.

**Section 10.** ***Termination of Reporting Obligation***. The Administrator's and the County's obligations under this Agreement shall terminate at such time that the Bonds are no longer Outstanding under the Indenture.

**Section 11.** ***Notices***. Any notice or communications to or among any of the beneficiaries to this Agreement must be given as follows:

| | |
|---|---|
| If to the Trustee: | Manufacturers and Traders Trust Company<br>One Light Street, 14th Floor<br>Baltimore, Maryland 21202<br>Attention: Corporate Trust Administration |
| If to Developer: | Annapolis Junction Town Center, LLC<br>c/o Somerset Construction Company<br>4816 Del Ray Avenue<br>Bethesda, Maryland 20814<br>Attention: Neil Greenberg |
| If to the County: | Howard County Department of Finance<br>George Howard Building<br>3430 Courthouse Drive<br>Ellicott City, Maryland 21043<br>Attention: Director of Finance |
| With a copy to: | Howard County Office of Law<br>Carroll Building<br>3450 Courthouse Drive<br>Ellicott City, Maryland 21043<br>Attention: County Solicitor |

If to the Administrator: MuniCap Inc.
8965 Guilford Road
Suite 210
Columbia, MD 21046
Attention: Keenan Rice

**Section 12.** ***Amendment; Waiver***. Notwithstanding any other provision of this Agreement, the County, the Administrator and the Trustee may amend this Agreement (and the Administrator and the Trustee shall each agree to any amendment so requested by the County which does not impose any greater duties, nor greater risk of liability or, on the Administrator and Trustee, respectively) and any provision of this Agreement may be waived, provided that the following conditions are satisfied:

(a) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds (assuming the Rule applied), after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of the Holders, or (ii) does not, in the opinion of nationally recognized bond counsel satisfactory to the County, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Agreement, the Administrator shall describe any such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of information being presented by the County.

**Section 13.** ***Default***. In the event of a failure of the County or the Administrator to comply with any provision of this Agreement, (i) the Trustee, at the written request of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds (but only to the extent funds in an amount satisfactory to the Trustee have been provided to it or if it has been otherwise indemnified to its satisfaction from and against any cost, liability, expense or additional charges and fees of the Trustee whatsoever, including, without limitation, fees and expenses of its attorneys), or (ii) any Owner or Beneficial Owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County or the Administrator, as the case may be, to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed an event of default under the Indenture, and the sole remedy under this Agreement in the event of any failure of the County or the Administrator to comply with this Agreement shall be an action to compel performance.

**Section 14.** ***Beneficiaries***. This Agreement shall inure solely to the benefit of the County, the Administrator, the Trustee, the Participating Underwriter, and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

**Section 15.** ***Governing Law***. This Agreement shall be governed by and construed in accordance with the laws of the State of Maryland.

**Section 16.** ***Counterparts***. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**Section 17.** ***Administrator***. Initially, MuniCap, Inc. has been hired to perform the duties and obligations of the Administrator hereunder pursuant to the Agreement PA 78-2014 between the County and MuniCap, Inc. (the "Administration Agreement").

[Signature Page Follows]

**MUNICAP, INC.**, as Administrator

By: ____________________________________________
Name: _________________________________________
Title: __________________________________________

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

By: ___________________________________
Name: _________________________________
Title: __________________________________

ATTEST:

**HOWARD COUNTY, MARYLAND**

______________________________
Brandee Ganz
Chief Administrative Officer

By: ______________________________
Calvin Ball
County Executive

[SEAL]

**APPROVED AS TO FORM AND**
**LEGAL SUFFICIENCY ON**
**THIS ______ DAY OF JUNE, 2024:**

______________________________
Gary W. Kuc
County Solicitor

**Reviewing Attorney**:

______________________________
Kristen Bowen Perry
Deputy County Solicitor

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HOWARD COUNTY, MARYLAND • SPECIAL OBLIGATION REFUNDING BONDS (ANNAPOLIS JUNCTION TOWN CENTER PROJECT), 2024 SERIES

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MARYLAND

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