

COUNTY COUNCIL OF BALTIMORE COUNTY, MARYLAND
Legislative Session 2013, Legislative Day No. 19

Bill No. 62-13

Mr. Tom Quirk, Councilman
By request of the County Executive

By the County Council, November 18, 2013

A BILL
ENTITLED

AN ORDINANCE concerning the amendment of Bill No. 103-10, passed by the County Council of Baltimore County, Maryland (the "County") on ~~October 18,~~ November 15, 2010 and approved by the County Executive of the County and enacted on November 19, 2010 ("Bill No. 103-10"), to expand the existing Owings Mills Town Center Development District located in the County and established pursuant to the Tax Increment Financing Act and Bill No. 103-10 to include an additional contiguous area of land within the County (the "North Parcel"), the designation of the North Parcel as a "transit-oriented development" and a "special taxing district" (the "North Special Taxing District"), the levy and collection of one or more special taxes on real property in the North Special Taxing District, the creation of one or more special tax funds into which the special taxes from the North Special Taxing District will be paid, the authorization of the pledge by the County under one or more agreements that amounts in the special tax funds shall be paid over to secure one or more series of bonds or other indebtedness issued by Maryland Economic Development Corporation in an aggregate principal amount not to exceed the lesser of \$97,100,000 or the amount that, when added to the aggregate principal amount of bonds and other indebtedness theretofore issued pursuant to Bill No. 103-10, does not exceed \$135,000,000 to finance costs of certain infrastructure improvements relating to the Owings Mills Town Center Development District, as amended hereby to include the North Parcel, and the North Special Taxing District and that amounts in the special tax fund shall be paid over to provide for the payment of costs of certain infrastructure improvements and costs of operation and maintenance of certain infrastructure relating to the North Special Taxing District, the reduction of the aggregate principal amount of bonds or other indebtedness issued by Maryland Economic Development Corporation authorized to be secured by the special tax funds created by Bill No. 103-10, the

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter stricken from existing law.
~~Strike out~~ indicates matter stricken from bill.
Underlining indicates amendments to bill.

extension of the authority provided in Bill No. 103-10 and the confirmation of certain provisions of Bill No. 103-10.

FOR the purpose of making certain findings; amending Bill No. 103-10, passed by the County Council of Baltimore County, Maryland (the "County") on ~~October 18,~~ November 15, 2010 and approved by the County Executive of the County (the "County Executive") and enacted on November 19, 2010 ("Bill No. 103-10"), to expand the existing Owings Mills Town Center Development District located in the County and established pursuant to the Tax Increment Financing Act, Sections 12-201 through 12-213 of the Economic Development Article of the Annotated Code of Maryland (2008 Volume and 2012 Supplement), and Bill No. 103-10 to include an additional contiguous area of land within the County (the "North Parcel"), designate the North Parcel as a "transit-oriented development", as defined in Section 7-101(m) of the Transportation Article of the Annotated Code of Maryland (2008 Replacement Volume and 2012 Supplement), confirm the requirement that certain property taxes on real property in the Owings Mills Town Center Development District, including the North Parcel in accordance with this Ordinance, be deposited to the Tax Increment Fund created by Bill No. 103-10, confirm the authorization to pledge that amounts on deposit in the Tax Increment Fund shall be paid over to secure bonds or other indebtedness issued by Maryland Economic Development Corporation ("MEDCO") in an aggregate principal amount not to exceed \$135,000,000 and reduce the aggregate principal amount of bonds or other indebtedness issued by MEDCO authorized to be secured by the Tax Increment Fund and the special tax funds created by Bill No. 103-10 by the aggregate principal amount of bonds and other indebtedness theretofore issued pursuant to this Ordinance; designating the North Parcel as a "special taxing district" (the "North Special Taxing District") pursuant to the provisions of Section 21-503 of the Local Government Article of the Annotated Code of Maryland (2013 Volume); creating one or more special tax funds (each, a "North Special Tax Fund"); providing for the levy of one or more special taxes (the "North Special Taxes") on certain property within the North Special Taxing District and the deposit of the North Special Taxes in the North Special Tax Fund; authorizing the County to pledge that amounts on deposit in the North Special Tax Fund shall be paid over to secure bonds or other indebtedness issued by MEDCO in an aggregate principal amount not to exceed the lesser of \$97,100,000 or the amount that, when added to the aggregate principal amount of bonds and other indebtedness theretofore issued under Bill No. 103-10, does not exceed \$135,000,000 to finance certain infrastructure improvements relating to the Owings Mills Town Center Development District and the North Special Taxing District, including the payment of interest prior to and during construction and for such limited period after completion of construction as shall be approved by the County Executive, the payment of costs of issuing the bonds and other indebtedness and the funding of a debt service reserve fund and other reserves; authorizing the County to pledge amounts on deposit in the North Special Tax Fund to the payment of costs of certain infrastructure improvements and costs of operation and maintenance of certain infrastructure relating to the North Special Taxing District; authorizing the execution and delivery by the County of one or more pledge agreements in connection with such pledge; authorizing the County Executive to specify, prescribe, determine, provide for and approve certain details, forms, documents and procedures and any other matters necessary or desirable in

connection with the foregoing; providing that the County Executive may determine that the pledge of property taxes derived from property constituting the Owings Mills Town Center Development District prior to the enactment of this Ordinance to secure bonds and other indebtedness authorized hereby be junior and subordinate to the pledge thereof securing bonds and other indebtedness issued pursuant to Bill No. 103-10 and that the pledge of property taxes derived from the North Parcel being added to the Owings Mills Town Center Development District pursuant to this Ordinance to secure bonds and other indebtedness issued pursuant to Bill No. 103-10 be junior and subordinate to the pledge thereof securing bonds and other indebtedness issued pursuant to this Ordinance; extending the authority provided in Bill No. 103-10; and providing for and determining various matters in connection with the foregoing.

SECTION 1. Be it enacted by the County Council of Baltimore County, Maryland,
That:

(a) terms used in this Ordinance that are not otherwise defined herein shall have the meanings set forth in Bill No. 103-10, passed by the County Council of Baltimore County, Maryland (the "County") on ~~October 18~~, November 15, 2010 and approved by the County Executive of the County (the "County Executive") and enacted on November 19, 2010 ("Bill No. 103-10"), as supplemented and amended hereby, unless the context shall otherwise require;

(b) the following terms shall have the following meanings for the purposes of Bill No. 103-10, notwithstanding any other provision of Bill No. 103-10:

(i) "Adjusted Assessable Base" means the fair market value of real property that qualifies for a farm or agricultural use under Section 8-209 of the Tax – Property Article of the Annotated Code of Maryland (2012 Replacement Volume), without regard to its agricultural use assessment for the property as of (A) when used with respect to the South Parcel, January 1, 2009 and (B) when used with respect to the North Parcel, January 1, 2012;

(ii) "Assessable Base" means the total assessable base, as determined by the Supervisor of Assessments, of all real property subject to taxation (A) when used with respect to property in the South Parcel, in the South Parcel, and (B) when used with respect to property in the North Parcel, in the North Parcel;

(iii) "District" means the contiguous area in the County consisting of the South Parcel and the North Parcel; provided, however, that for the purposes of Sections 2(c), 5 and 6 thereof, "District" shall mean the South Parcel only; and

(iv) "North Parcel" means the contiguous area in the County described in Exhibit A attached hereto and made part of this Ordinance and designated the North Special Taxing District pursuant to Section 5 of this Ordinance;

(v) "Original Assessable Base" means the Assessable Base as of (A) when used with respect to the South Parcel, January 1, 2009 and (B) when used with respect to the North Parcel, January 1, 2012;

(vi) "South Parcel" means the contiguous area in the County described in Exhibit A attached to Bill No. 103-10;

(vii) "South Special Taxing District" means the "special taxing district" as defined in the Special Taxing District Act established pursuant to Section 5 of Bill No. 103-10; and

(viii) "Special Taxing District Act" means Sections 21-501 through 21-516 of the Local Government Article of the Annotated Code of Maryland (2013 Volume), as amended and supplemented from time to time.

(c) for the purposes of this Ordinance, the following terms shall have the following meanings:

(i) "Improvements" means the public infrastructure improvements to be financed and refinanced with proceeds of the North Parcel Bonds, consisting of the facilities described in Exhibit B attached hereto and made a part of this Ordinance by this reference thereto;

(ii) "North Parcel Bonds" means one or more series of revenue bonds or notes issued by MEDCO under authority other than the Enabling Acts, which may be Bonds issued under Bill No. 103-10, as supplemented and amended hereby, to finance the costs of infrastructure improvements located in or supporting the North Parcel, to pay interest prior to and during construction and for such limited period after completion of construction as shall be approved by the County Executive, to pay costs of issuing such bonds or notes and to fund a debt service reserve fund and other reserves as shall be approved by the County Executive prior to the issuance of such North Parcel Bonds as described in Section 8 of this Ordinance, constituting "MEDCO obligations" within the meaning of the Enabling Acts;

(iii) "North Parcel Pledge Agreement" means an agreement by and between the County and MEDCO pledging (A) that amounts deposited to the Tax Increment Fund shall be paid over to secure North Parcel Bonds issued pursuant to Bill No. 103-10, or (B) that amounts deposited to the North Special Tax Fund shall be paid over to secure North Parcel Bonds or, in the case of North Special B Tax Revenues, to provide for the payment of North Parcel O&M Costs, that is executed and delivered by the County pursuant to Section 10 of this Ordinance;

(iv) "North Parcel O&M Costs" means such costs of operation and maintenance of the Improvements, which may include (without limitation) wages and salaries and benefits, which may include an allocable share of the salaries of County and MEDCO staff directly related to the operation and maintenance of the Improvements and a proportionate amount of County and MEDCO general administration overhead related thereto, costs of insurance and out-of-pocket costs and expenses of services and supplies related to the operation

and maintenance of the Improvements, costs of necessary and proper repairs, replacements and renewals, including extraordinary maintenance and repair expenses, of the Improvements.

(v) "North Special A Tax Revenues" means the proceeds of the North Special A Taxes levied within the North Special Taxing District received by the County, including any scheduled payments thereof and the net proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the North Special A Taxes equal to the amount of such lien;

(vi) "North Special A Taxes" means the North Special Taxes that are levied pursuant to the Special Taxing District Act, the Rate and Method and clause (a) of Section 9 of this Ordinance;

(vii) "North Special B Tax Revenues" means the proceeds of the North Special B Taxes levied within the North Special Taxing District received by the County, including any scheduled payments thereof and the net proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the North Special B Taxes equal to the amount of such lien;

(viii) "North Special B Taxes" means the North Special Taxes that are levied pursuant to the Special Taxing District Act, the Rate and Method and clause (b) of Section 9 of this Ordinance;

(ix) "North Special Tax Fund" means a special tax fund established by Section 7 of this Ordinance;

(x) "North Special Tax Revenues" means the means the proceeds of the North Special Taxes levied within the North Special Taxing District received by the County, including any scheduled payments thereof and the net proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the North Special Taxes equal to the amount of such lien;

(xi) "North Special Taxes" means the "Owings Mills Town Center North Parcel Special Tax" levied on real property in the North Special Taxing District in accordance with Section 9 of this Ordinance;

(xii) "North Special Taxing District" means the "special taxing district" as defined in the Special Taxing District Act to be known as the Owings Mills Town Center North Special Taxing District established pursuant to Section 5 of this Ordinance;

(xiii) "Pledge Agreement" means a Pledge Agreement as defined in Bill No. 103-10 or a North Parcel Pledge Agreement;

(xiv) "Rate and Method" means the methodology for apportioning the North Special Taxes and the procedures for the levy and collection thereof set forth in Exhibit C attached hereto and made a part of this Ordinance by this reference thereto; and

(xv) "South Parcel Bonds" means one or more series of revenue bonds or notes issued by MEDCO under authority other than the Enabling Acts to finance the costs of

infrastructure improvements located in or supporting the South Special Taxing District, to pay interest prior to and during construction and for such limited period after completion of construction as shall be approved by the County Executive, to pay costs of issuing such bonds or notes and to fund a debt service reserve fund and other reserves as shall be approved by the County Executive prior to the issuance of such bonds or notes as authorized by the County in accordance with Section 10 of Bill No. 103-10.

SECTION 2. And be it further enacted by the County Council of Baltimore County, Maryland, That it is hereby found and determined as follows:

(a) The proposed mix of parking facilities, commercial and residential structures and appurtenant improvements on the property located in the North Special Taxing District is included within the Secretary of Transportation Designation dated as of September 7, 2010 executed by the Secretary of Transportation of the State of Maryland, a copy of which is attached in Exhibit D to Bill No. 103-10 (the "Secretary of Transportation Designation"), and:

(i) is part of a deliberate development plan involving property that is adjacent to, or a part of which is within one-half mile of, the passenger boarding and alighting location of the Owings Mills subway station;

(ii) is planned to maximize the use of transit, walking and bicycling by residents and employees; and

(iii) has been designated by the Secretary of Transportation of the State of Maryland as a Transit-oriented development.

(b) The Improvements are or will (i) be located in or supporting a Transit-oriented development, (ii) accomplish the public purposes of the Enabling Acts, (iii) be situated within the North Parcel or reasonably related to other infrastructure improvements within the North Parcel, (iv) be necessary for the development and utilization of the land within the North Parcel and (v) be owned by the County or another governmental unit.

(c) The establishment of the District as a part of a "development district" (as defined in the Tax Increment Financing Act) and the addition of the North Parcel to the District, the establishment of the North Special Taxing District, an unincorporated area of the County, as a special taxing district pursuant to the Special Taxing District Act in accordance with a petition filed with the County by the sole owner of the property within the North Parcel, the creation of one or more North Special Tax Funds as contemplated by the Special Taxing District Act and the execution and delivery of one or more Pledge Agreements pursuant to the Enabling Acts for the purpose of securing the North Parcel Bonds and, to the extent provided herein, the South Parcel Bonds and providing for the payment of North Parcel O&M Costs from the North Special B Tax Revenues will promote the health, welfare and safety of the residents of the State of Maryland and of the County and accomplish the public purposes of the Enabling Acts.

(d) The County Council has received and reviewed the Special Tax Report dated September 19, 2013 prepared by MuniCap, Inc. regarding the methodology for apportioning the

North Special A Taxes and the North Special B Taxes. The Rate and Method sets forth a reasonable method of apportioning the (i) North Special A Taxes that results in fairly allocating the Cost of the Improvements and (ii) North Special B Taxes that results in fairly allocating the North Parcel O&M Costs.

SECTION 3. And be it further enacted by the County Council of Baltimore County, Maryland, That the County hereby designates the property described in the Secretary of Transportation Designation as a “transit-oriented development” pursuant to Section 7-101(m) of the Mass Transit Act.

SECTION 4. And be it further enacted by the County Council of Baltimore County, Maryland, That pursuant to Section 12-203 of the Tax Increment Financing Act, the North Parcel is hereby designated as part of the “development district” known as the Owings Mills Town Center Development District created by Bill No. 103-10. The designation of the District, as expanded hereby, is hereby ratified and confirmed.

SECTION 5. And be it further enacted by the County Council of Baltimore County, Maryland, That pursuant to the Special Taxing District Act, the North Parcel is hereby designated as a “special taxing district” to be known as the “Owings Mills Town Center North Special Taxing District.”

SECTION 6. And be it further enacted by the County Council of Baltimore County, Maryland, That the County hereby ratifies and confirms its pledge that until all South Parcel Bonds and North Parcel Bonds are fully paid and, if and to the extent provided in any Pledge Agreement, all amounts payable by the County under such Pledge Agreement are paid or provision for the payment thereof is made in accordance with its terms, the real property taxes in the District that normally would be paid to the County and received by the County for any Tax Year commencing on or after July 1, 2011, in the case of real property in the South Parcel, and July 1, 2014 in the case of real property in the North Parcel, shall be divided as follows: (i) the portion of such taxes that would be produced at the current tax rate on the Original Taxable Value shall be paid to the County in the same manner as taxes on other property are paid and (ii) the portion of such taxes on the Tax Increment that normally would be paid into the general fund of the County shall be paid into the Tax Increment Fund and applied in accordance with Section 12-209 of the Tax Increment Financing Act while Bill No. 103-10 or this Ordinance remains in effect.

SECTION 7. And be it further enacted by the County Council of Baltimore County, Maryland, That there is hereby established a special fund to be designated the “Owings Mills Town Center North Special Taxing District Fund.” The County hereby pledges all North Special Tax Revenues received by the County for any Tax Year commencing on or after July 1, 2014 to the North Special Tax Fund in accordance with the provisions of the Special Taxing District Act and all such North Special Tax Revenues shall be deposited therein. The County Executive, the County Administrative Officer of the County (the “County Administrative Officer”), the Director of Budget and Finance of the County (the “Director of Budget and Finance”) and other officers and employees of the County are hereby authorized and directed to take all necessary steps in order to establish the North Special Tax Fund as a separate fund to be held by the County.

Prior to the issuance of any North Parcel Bonds, the County Executive may, by executive order, provide for the creation of a separate special fund to be designated the "Owings Mills Town Center North Special Taxing District O&M Fund" and pledge to such fund all North Special B Tax Revenues received by the County for any Tax Year commencing on or after July 1, 2014 that are assessed for the purpose of providing for the payment of North Parcel O&M Costs in accordance with the provisions of the Special Taxing District Act to the payment of such North Parcel O&M Costs. References herein to the "North Special Tax Fund" shall include such separate special O&M Fund unless the context shall otherwise require.

SECTION 8. And be it further enacted by the County Council of Baltimore County, Maryland, That pursuant to the Enabling Acts, the County is hereby authorized to pledge that amounts deposited to the Tax Increment Fund shall be paid over to secure the payment of the principal of and premium, if any, and interest on North Parcel Bonds in an aggregate principal amount not to exceed the lesser of \$97,100,000 or the amount that, when added to the aggregate principal amount of South Parcel Bonds theretofore issued, does not exceed \$135,000,000, subject to the right of the County to use the money in the Tax Increment Fund for other purposes authorized by the Tax Increment Act, including (without limitation) payment of the principal of and premium, if any, and interest on any additional bonds issued in accordance with the Tax Increment Act or other statutory authority and to fund reserves and pay expenses in connection therewith and any other purposes authorized by the Tax Increment Act, free and clear of the lien of such pledge to the extent permitted by any Pledge Agreement then in effect. The authority of the County to pledge that amounts deposited to the Tax Increment Fund shall be paid over to secure the payment of the principal of and premium, if any, and interest on South Parcel Bonds in an aggregate principal amount not to exceed \$135,000,000 as provided in Bill No. 103-10 is hereby ratified and confirmed; provided that the aggregate principal amount of South Parcel Bonds shall not exceed the amount that, when added to the aggregate principal amount of North Parcel Bonds theretofore issued, does not exceed \$135,000,000; and provided further that to the extent provided in an order of the County Executive as permitted by Section 10 of this Ordinance, the pledge of ad valorem real property taxes derived from property in the South Parcel to secure North Parcel Bonds shall be junior and subordinate to the pledge thereof securing South Parcel Bonds and the pledge of ad valorem real property taxes derived from property in the North Parcel to secure South Parcel Bonds shall be junior and subordinate to the pledge thereof securing North Parcel Bonds.

The County is further authorized to pledge that (i) North Special A Tax Revenues deposited to the North Special Tax Fund shall be paid over to secure the payment of the principal of and premium, if any, and interest on North Parcel Bonds in an aggregate principal amount not to exceed the lesser of \$97,100,000 or the amount that, when added to the aggregate principal amount of South Parcel Bonds theretofore issued, does not exceed \$135,000,000, and (ii) North Parcel Special B Tax Revenues deposited to any North Special Tax Fund shall be paid over to provide for the payment of North Parcel O&M Costs and to fund reserves for North Parcel O&M Costs.

The County is hereby authorized to enter into one or more Pledge Agreements with MEDCO providing that North Special A Tax Revenues on deposit in any North Special Tax

Fund shall be paid over to secure the North Parcel Bonds and North Special B Tax Revenues on deposit in any North Special Tax Fund shall be paid over to provide for the payment of North Parcel O&M Costs. Such Pledge Agreements shall run to the benefit of and be enforceable on behalf of the holders of the North Parcel Bonds to the extent provided therein and shall be in such forms as shall be approved by the County Executive in accordance with Section 10 of this Ordinance.

Notwithstanding the provisions of Section 8 of Bill No. 103-10, (i) the aggregate principal amount of South Parcel Bonds to which amounts deposited to the Tax Increment Fund may be pledged is hereby reduced to an amount equal to the amount that, when added to the aggregate principal amount of North Parcel Bonds theretofore issued, does not exceed \$135,000,000 and (ii) to the extent provided in an order of the County Executive as permitted by Section 10 of Bill No. 103-10, the pledge of ad valorem real property taxes derived from property in the North Parcel to secure South Parcel Bonds shall be junior and subordinate to the pledge thereof securing North Parcel Bonds and the pledge of ad valorem real property taxes derived from property in the South Parcel to secure North Parcel Bonds shall be junior and subordinate to the pledge thereof securing South Parcel Bonds.

SECTION 9. And be it further enacted by the County Council of Baltimore County, Maryland, That there is hereby levied and imposed the "Owings Mills Town Center North Special Tax" upon all real property within the North Parcel, unless exempted by law or by the provisions hereof, in rate and amount sufficient to provide for the payment of the principal of and premium, if any, and interest on the North Parcel Bonds and to pay North Parcel O&M Costs and for other purposes set forth in this Section, to the extent and in the manner provided in the Rate and Method, through the application of the procedures provided therein. As set forth in the Rate and Method, commencing with the first Tax Year following the issuance of North Parcel Bonds and thereafter until all of the North Parcel Bonds have been paid and, to the extent required by any Pledge Agreements, all amounts payable under such Pledge Agreements have been paid or provision for the payment thereof shall have been made in accordance with their respective terms, the North Special A Taxes shall be levied in each year in an amount equal to the sum of (a) the amount that, together with (i) property taxes on deposit in the Tax Increment Fund (exclusive of property taxes derived from the South Parcel on deposit in the Tax Increment Fund, to the extent provided in any Pledge Agreement executed and delivered prior to the issuance of North Parcel Bonds that is then in effect), (ii) to the extent provided in any Pledge Agreement then in effect, property taxes derived from the South Parcel on deposit in the Tax Increment Fund that are not required for the payment of the principal of and premium, if any, and interest on South Parcel Bonds and (iii) other available funds, is sufficient (A) to pay the principal of and premium, if any, and interest on the North Parcel Bonds when due, (B) to replenish any debt service reserve funds for the North Parcel Bonds, and (C) to pay the expenses incurred in connection with the North Parcel Bonds, including (without limitation) the fees and expenses of any fiscal agent, trustee or other agent, the expenses of the County and MEDCO in carrying out their respective duties with respect to the North Parcel Bonds, such as costs of complying with arbitrage rebate requirements and disclosure requirements under applicable federal and state securities law, the costs of levying and collecting the North Special Taxes, advertising expenses of public notices and costs of administering the North Special Taxing District, including the costs of any employees of the County and MEDCO and fees and expenses

of any professionals retained by the County or MEDCO to provide such services and all other costs and expenses of the County or MEDCO incurred in connection with the North Parcel Bonds or the administration of the North Special Taxing District and (b) the amount sufficient to pay North Parcel O&M Costs for such year. Prior to the issuance of any North Parcel Bonds, the County Executive may, by executive order, provide for separate North Special A Taxes and North Special B Taxes to provide for the payments referred to in clauses (a) and (b) above, respectively.

The County hereby covenants to levy the North Special Taxes in accordance with this Ordinance to provide for the payments set forth in this Section in rate and amount at least sufficient to provide for such payments, to the extent that such payments are not otherwise provided for. The North Special Taxes also may be levied with respect to refunding bonds issued pursuant to the Special Taxing District Act and Section 19-207 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume) (the "Refunding Act"), and an ordinance or resolution enacted or adopted by the County in connection with the issuance of such refunding bonds.

SECTION 10. And be it further enacted by the County Council of Baltimore County, Maryland, That prior to the execution and delivery of any North Parcel Pledge Agreement, the County Executive, by executive order, shall approve:

- (a) the actual principal amount of the North Parcel Bonds to be issued from time to time;
- (b) the actual rate or rates of interest to be borne by such North Parcel Bonds, which shall not exceed a maximum rate of interest of ten percent (10%) per annum after giving effect to any federal subsidy;
- (c) the manner in which and terms upon which such North Parcel Bonds are to be sold, which may be at public or private (negotiated) sale at, above, or below the par amount of the North Parcel Bonds;
- (d) the times that interest on such North Parcel Bonds is to be paid;
- (e) the form and tenor of such North Parcel Bonds, and denominations in which such North Parcel Bonds may be sold;
- (f) the times that the principal of such North Parcel Bonds is to be paid;
- (g) provisions pursuant to which any or all of such North Parcel Bonds may be called for redemption prior to their stated maturity dates; and
- (h) such amendments to the Rate and Method and other matters in connection with such North Parcel Bonds and the security for such North Parcel Bonds not inconsistent with the Enabling Acts as the County Executive shall deem necessary or appropriate.

Without limiting the generality of the foregoing, the County Executive is hereby authorized to appoint or approve bond counsel to the County and a financial advisor to the County in connection with each issuance of North Parcel Bonds, to approve any trustee, registrar, paying agent or other fiscal agent for any North Parcel Bonds and to enter into or approve on behalf of the County such agreements as the County Executive shall deem necessary or appropriate for the issuance, sale, delivery or security of such North Parcel Bonds, which may include (without limitation) (i) underwriting, purchase or placement agreements for North Parcel Bonds sold at private (negotiated) sale, (ii) trust agreements with commercial banks or trust companies providing for the issuance and security of such North Parcel Bonds, (iii) dealer, remarketing or similar agreements providing for the placement or remarketing of North Parcel Bonds, (iv) agreements providing for any credit or liquidity facilities supporting any North Parcel Bonds, (v) agreements with commercial banks or trust companies providing for the deposit of proceeds of any North Parcel Bonds and (vi) agreements with fiscal agents. Any order of the County Executive approving any such agreement or the execution and delivery of any such agreement by the County Executive shall be conclusive evidence of the approval of the form of such agreement on behalf of the County.

In connection with the sale of any North Parcel Bonds, the County may participate in the preparation and distribution, in conjunction with MEDCO and any underwriter of North Parcel Bonds, of both a preliminary and a final official statement or other offering document to the extent determined to be necessary or desirable for the sale of the North Parcel Bonds by the County Executive in form and content acceptable to the County Executive.

The County Executive, the County Administrative Officer, the Director of Budget and Finance and other officers and employees of the County are hereby authorized to execute and deliver, for and on behalf of the County, one or more North Parcel Pledge Agreements in such form as shall be approved by the County Executive by order and to execute and deliver on behalf of the County any additional agreements, certificates and other documents and to do any and all things necessary or appropriate in order to consummate and otherwise implement the transactions contemplated by the Enabling Acts and this Ordinance, subject to the limitations set forth in the Enabling Acts and this Ordinance. Any Pledge Agreement or other such agreement entered into in connection with the issuance of North Parcel bonds or South Parcel Bonds may include (without limitation) a covenant by the County that it shall not unreasonably withhold its consent to the conversion and remarketing of any North Parcel Bonds or South Parcel Bonds held by any developer of property in the District when market conditions permit, and any such covenant shall be valid and binding on the County. Without limiting the generality of the foregoing, the County Executive is hereby authorized from time to time after the issuance of North Parcel Bonds or South Parcel Bonds to take any action required or permitted to be taken by or on behalf of the County under any trust agreement or other document or instrument executed and delivered in connection therewith, including (without limitation) providing any consent, approval or direction required or permitted thereunder and entering into any amendment of or supplement to any of the foregoing, subject to the requirements of the Enabling Acts and any other agreement by which the County is bound.

Without limiting the generality of the foregoing or the provisions of Bill No. 103-10, any Pledge Agreement may provide that the pledge of the ad valorem real property taxes derived

from property in the South Parcel to secure North Parcel Bonds shall be junior and subordinate to the pledge thereof securing South Parcel Bonds and the pledge of the ad valorem real property taxes derived from property in the North Parcel to secure South Parcel Bonds shall be junior and subordinate to the pledge thereof securing North Parcel Bonds.

The delegation of authority to the County Executive in this Ordinance is subject in all respects to the discretion of the County Executive and a North Parcel Pledge Agreement shall not be executed and delivered unless the County Executive shall have approved all matters in connection with such North Parcel Pledge Agreement and the North Parcel Bonds. None of the County, the County Executive, the members of the County Council and the officers, employees and agents of the County shall be subject to any liability for any failure to execute and deliver any North Parcel Pledge Agreement or any other document or instrument necessary for the issuance of North Parcel Bonds.

SECTION 11. And be it further enacted by the County Council of Baltimore County, Maryland, That the County Executive, on behalf of the County, may make such covenants and agreements in connection with the issuance of any North Parcel Bonds issued as tax-exempt bonds ("Tax-Exempt Obligations") as he shall deem advisable in order to assure owners of such North Parcel Bonds that interest thereon shall be and remain excludable from gross income for federal income tax purposes. The County Executive, on behalf of the County, is further authorized to take any and all actions as may be necessary or desirable to assure that any North Parcel Bonds are allowed a tax credit, that a subsidy from the United States of America or any agency or instrumentality thereof is payable with respect to North Parcel Bonds or the interest payable thereon or that any North Parcel Bond or the interest thereon is entitled to any other available benefits under the Internal Revenue Code of 1986, as amended, or otherwise (any such North Parcel Bonds being referred to herein as "Tax-Advantaged Obligations"). Without limiting the generality of the foregoing, the County Executive is hereby authorized to make such covenants or agreements relating to the investment of the proceeds of North Parcel Bonds or other amounts that may be deemed to be proceeds of North Parcel Bonds, the payment of rebates (or payments in lieu of rebate) to the United States, limitations on the times within which such proceeds may be expended, the use of specified procedures for accounting for or segregating such proceeds, any required or permitted elections or designations, any actions as shall be necessary to permit any tax credit to be stripped and sold separately from the ownership interest in any Tax-Advantaged Obligation and to claim any cash subsidy with respect to any Tax-Advantaged Obligation. Such covenants or agreements shall be binding on the County so long as the observance by the County of any such covenants or agreements is necessary in connection with the maintenance of the excludability of the interest on such Tax-Exempt Obligations from gross income for federal income tax purposes or the entitlement of such Tax-Advantaged Obligations to such benefits, respectively.

SECTION 12. And be it further enacted by the County Council of Baltimore County, Maryland, That in accordance with the provisions of Article IV, Section 402 of the Charter of the County, the County Executive is hereby authorized to delegate to the County Administrative Officer of the County the power and authority to take any and all actions required or permitted to be taken by the County Executive pursuant to this Ordinance.

SECTION 13. And be it further enacted by the County Council of Baltimore County, Maryland, That by the enactment of this Ordinance, the County has complied with the provisions of the Enabling Acts, including but not limited to Sections 12-203 and 12-208(c) and (d) of the Tax Increment Financing Act to the extent required by the Tax Increment Financing Act and subsection (f) of the Special Taxing District Act.

SECTION 14. And be it further enacted by the County Council of Baltimore County, Maryland, That the enactment of this Ordinance shall not be deemed to constitute the approval, authorization or consent of the County Council of the County, the County Executive or any department, office or agency of the County to any action or activity within or required for the development of the District, including (without limitation) any land use approval, requirements for the provision of public utilities or services or any administrative, judicial, quasi-judicial, or legislative action that may be required therefor.

SECTION 15. And be it further enacted by the County Council of Baltimore County, Maryland, That the provisions of this Ordinance are severable, and if any provision, sentence, clause, section or part hereof is held or determined to be illegal, invalid or unconstitutional or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality or inapplicability shall not affect or impair any of the remaining provisions, sentences, clauses, sections or parts of this Ordinance or their application to other persons or circumstances. It is hereby declared to be the legislative intent that this Ordinance would have been adopted if such illegal, invalid, unconstitutional or inapplicable provision, sentence, clause, section or part had not been included herein and as if the person or circumstances to which this Ordinance or any part hereof is inapplicable had been specifically exempted herefrom.

SECTION 16. And be it further enacted by the County Council of Baltimore County, Maryland, That in the event that no North Parcel Bonds or South Parcel Bonds have been issued to finance the Improvements by December 31, 2016, then the authority provided by the Ordinance shall expire without further action by the County Council of the County.

SECTION 17. And be it further enacted by the County Council of Baltimore County, Maryland, That in the authority provided in Section 16 of Bill No. 103-10 is hereby extended to December 31, 2016.

SECTION 18. And be it further enacted, that this Ordinance, having passed by the affirmative vote of five members of the County Council, shall take effect December 29, 2013.

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DESCRIPTION OF NORTH SPECIAL TAXING DISTRICT

[SEE ATTACHED]

DESCRIPTION FOR PARCEL 1 (THE "NORTH PARCEL")
THE MARYLAND TRANSIT ADMINISTRATION
OWINGS MILLS METRO CENTER
4TH ELECTION DISTRICT
BALTIMORE COUNTY, MARYLAND

PARCEL 1

BEGINNING FOR THE SAME at a point on the westerly Right of Way Line of Painters Mill Road (variable width right of way) as conveyed unto Baltimore County, Maryland by an Agreement dated July 9, 1987 and recorded among the Land Records of Baltimore County, Maryland in Liber S.M. 7627, folio 786, said point of beginning being the beginning of the first line of the firstly described parcel of land in a conveyance from the State Highway Administration of the Department of Transportation of the State of Maryland, and the Board of Public Works of Maryland, unto The Mass Transit Administration of the Department of Transportation, by a Deed dated September 9, 1997 and recorded among said Land Records in Liber S.M. 12445, folio 682, said point of beginning also being offset 54.48 feet left of and opposite Painters Mill Road Base Line of Right of Way Station 42+50.79 as shown on Maryland State Highway Administration Right of Way Plat No. 54454, thence running with and binding on the boundaries of said firstly described parcel of land, the ten following courses and distances, as now surveyed by STV INCORPORATED; with all bearings herein being referred to the Maryland State System of Plane Coordinates, 1983 North American Datum, 1991 Adjustment, viz; running with and binding on said westerly right of way lines of Painters Mill Road, the four following courses and distances,

1. South 10° 56'42" West 15.21 feet to a point, thence
2. South 03° 03'57" West 192.47 feet to a point, thence
3. By a curve to the left, having a radius of 1,677.55 feet, an arc length of 217.76 feet, said curve being subtended by a chord bearing South 00° 04'44" West 217.61 feet, to a point, thence
4. South 03° 38'24" East 739.04 feet to a point, thence leaving Painters Mill Road and running with and binding on the northeasterly Right of Way Line of Interstate No. 795, Northwest Expressway, the four following courses and distances,
5. North 61° 15'16" West 528.69 feet to a point, thence
6. North 02° 58'32" West 259.20 feet to a point, thence
7. North 38° 38'21" West 233.03 feet to a point, thence
8. North 03° 26'39" West 493.21 feet to a point, thence leaving said Interstate No. 795 and continuing,
9. North 87° 19'32" East 505.72 feet to a point, thence

TAX PARCELS

DESCRIPTION
PARCEL NUMBER PROPERTY NO./
TAX ACCOUNT

12.93 acres

04-2300000508

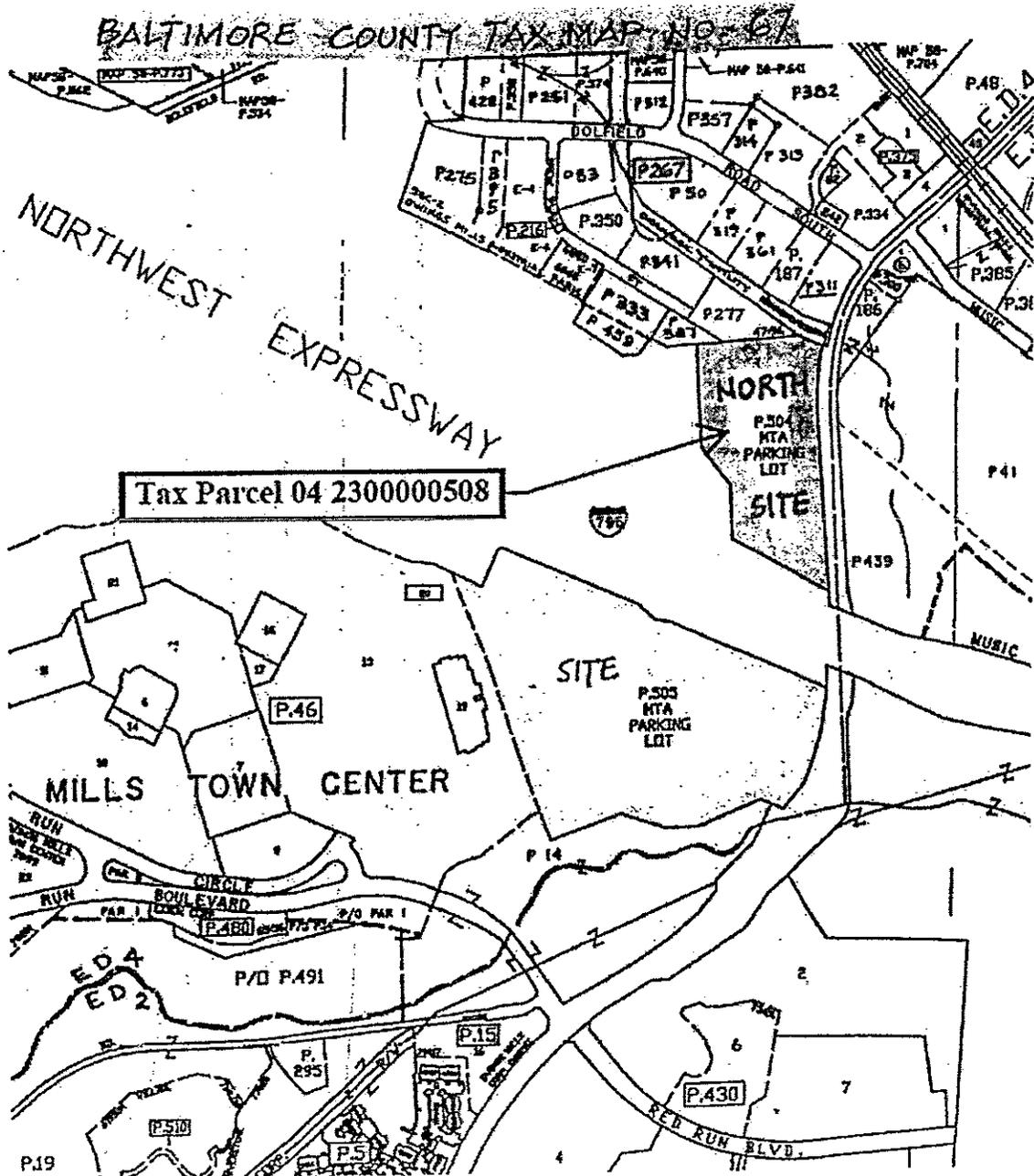
MAP

[SEE ATTACHED]

OWINGS MILLS TOWN CENTER SPECIAL TAX DISTRICTS

MAP OF OWINGS MILLS TOWN CENTER NORTH PARCEL

SPECIAL TAXING DISTRICT



DESCRIPTION OF NORTH SPECIAL TAXING
DISTRICT PUBLIC INFRASTRUCTURE IMPROVEMENTS

Construction of additional parking garages;

Construction and improvements of roads and tunnels and acquisition of land therefor;

Construction and improvements of water and sewer lines, piping, ductwork, utilities, and related appurtenances, and the acquisition of easements therefor;

Related grading, engineering and stakeout, lighting, landscaping, streetscape features, signage, site work, traffic signals and traffic studies therefor, sidewalks, crosswalks, vehicular roundabouts;

Construction of access drives and service driveways and sidewalks and related improvements;
and

Such other buildings, equipment and improvements to be owned by the County or other public improvements.

BALTIMORE COUNTY, MARYLAND
OWINGS MILLS TOWN CENTER NORTH SPECIAL TAXING DISTRICT

RATE AND METHOD OF APPORTIONMENT
OF NORTH SPECIAL TAXES

[SEE ATTACHED]

BALTIMORE COUNTY, MARYLAND
OWINGS MILLS TOWN CENTER - NORTH SPECIAL TAXING DISTRICT

***RATE AND METHOD OF APPORTIONMENT
OF SPECIAL TAXES***

A Special Tax is hereby levied and shall be collected in the Baltimore County, Maryland Owings Mills Town Center - North Special Taxing District (the "District") each Fiscal Year, beginning with the 2014-2015 Fiscal Year and continuing until the year provided for in Section I hereof, in an amount 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 Section 9-1301 of Article 24 of the Annotated Code of Maryland, as amended from time to time.

"Adjusted Maximum Special Tax A" means the Special Tax A determined in accordance with Section B.3.

"Administrative Expenses" means any or all of the following: the costs and expenses of the County and MEDCO incurred in connection with the discharge of their duties in connection with the District or the Bonds, including (without limitation) the costs and expenses of the County and MEDCO in carrying out their duties under the Ordinance and the Indenture of Trust, including, but not limited to, calculating, levying and collecting Tax Increment Revenues and the Special Tax, proceedings related to foreclosure of delinquent Special Taxes and taxes relating to the Tax Increment (as defined in the Ordinance) and complying with arbitrage rebate requirements and obligated persons disclosure requirements associated with applicable federal and state securities law (in each case whether performed by the County or MEDCO or otherwise), including an allocable share of the salaries of the County and MEDCO staff directly related to the administration of the District and a proportionate amount of County and MEDCO general administration overhead related thereto, and the out-of-pocket costs and expenses of the County and MEDCO for any professionals retained by the County or MEDCO to provide services for such purposes; 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 the Indenture of Trust, including, without limitation, any credit facility for any reserve fund; any unpaid cost or expense of the County or MEDCO, including, without limitation, fees and expenses of legal counsel and any professionals retained by the County or MEDCO, incurred in connection with the defense of, or the investigation or bringing by the County or MEDCO 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 and

taxes relating to the Tax Increment or any other matters related thereto; any fees, expenses or costs included in the definition of Administrative Expenses set forth in the Indenture of Trust or Pledge Agreement and not specifically included herein; all other costs and expenses of the County, MEDCO, the Trustee, and the Administrator incurred in connection with the discharge of their respective duties, including legal fees and expenses associated with such duties, and in any way related to the administration of the District.

“Administrator” means the designee of the County for purposes of estimating the annual Special Tax A Requirement, the annual Special Tax B Requirement, and the Special Tax to be levied and collected each Fiscal Year and for providing other services as required by the Indenture of Trust.

“Bonds” means any bonds or other debt, including refunding bonds, whether in one or more series, issued for the District and secured by the Special Tax.

“Building Square Footage” or “BSF” means the actual, or for property not yet developed, the estimated, leasable building area as shown on the building permit, architectural plans or other available documents, as estimated by the Administrator.

“Commencement Date” means the first Fiscal Year following the Issue Date.

“County” means Baltimore County, Maryland.

“Date of Classification” means the date each year determined by the Administrator to classify property for purposes of determining the Special Tax for each Parcel.

“Developed Property” means Parcels of Taxable Property for which a building permit has been issued that allows the construction of a structure intended for occupancy, whether for commercial, parking, or residential purposes.

“Director of Budget and Finance” means the Director of Budget and Finance of the County.

“District” means the Owings Mills Town Center - North Special Taxing District created by the County.

“District Maximum Special Tax A” means for the 2014-2015 Fiscal Year, \$8,717,305 or, if the District Maximum Special Tax A shall be reduced in accordance with Section J, the amount of the District Maximum Special Tax A as reduced pursuant to Section J. On the July 1 that first follows the Commencement Date, the District Maximum Special Tax A shall be increased to 102 percent of the District Maximum Special Tax A in effect in the previous Fiscal Year. The District Maximum Special Tax A as of any date shall be reduced for any prepayments of Special Tax A pursuant to Sections L, M, or N occurring prior to such date.

“Fiscal Year” means the period starting on July 1 and ending on the following June 30.

“Hotel Property” means Taxable Property used or intended for use as hotel facilities, including any ancillary facilities thereto.

“Indenture of Trust” means the indenture of trust relating to the Bonds, as modified, amended and supplemented from time to time.

“Issue Date” means the date in which the Bonds are issued.

“Mandatory Prepayment of the Special Tax A” means the required prepayment of the Special Tax A pursuant to Section N.

“Maximum Special Tax A” means the Special Tax A determined in accordance with Section B.1. or B.2.

“Maximum Special Tax B” means the Special Tax B determined in accordance with Section C.1. or C.2.

“Maximum Special Tax A Rates” mean the rates shown in Table A increased each year as provided for in Section B.1. as reduced pursuant to Section J.

“Maximum Special Tax B Rates” mean the rates shown in Table B increased each year as provided for in Section C.1. as reduced pursuant to Section J.

“MEDCO” means the Maryland Economic Development Corporation.

“Net Land Area” means the estimated area of Taxable Property of a Parcel on which buildings, parking, or related improvements may be constructed, taking into consideration the development legally permissible, the proposed or planned development, and existing or proposed Public Property, exclusive use easements, and other areas on which development may not occur.

“Office Property” means Taxable Property used or intended for use primarily as office facilities, including any ancillary space thereto.

“Ordinance” means the Ordinance enacted by the County creating the District.

“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 homeowners; provided, however, that real property that has been irrevocably offered for dedication includes only those parcels for which a copy of the offer has been provided to the Administrator.

“Parking Property” means property used primarily for the purpose of parking vehicles.

“Parcel” means a lot or parcel of real property within the District with a parcel number assigned by the Supervisor.

“Pledge Agreement” means a Pledge Agreement or similar agreement between the County, MEDCO and the Trustee evidencing a pledge of Tax Increment Revenues and Special Tax A.

“Proportionately” means that the ratio of the Special Tax A actually to be collected as a percent of the Adjusted Maximum Special Tax A is equal for each Parcel (excluding those Parcels for which the Adjusted Maximum Special Tax A is zero) or that the ratio of the Special Tax B actually to be collected as a percent of the Maximum Special Tax B is equal for each Parcel.

“Public Improvements” means those improvements benefiting the District that the County has authorized to be funded with proceeds of 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) to the federal government, State of Maryland, County, MEDCO, or other public agency or easements for the exclusive use of a public utility provider; provided, however, that exclusive use utility easements and real property that has been irrevocably dedicated includes only those parcels for which a copy of the easement or offer has been provided to the Administrator. Public Property does not include property that would otherwise be Public Property if the owner consents in a form acceptable to the County of being subject to Special Taxes.

“Required Maximum Special Tax A” means the required Maximum Special Tax A as provided for in the Indenture of Trust.

“Residential Property” means Taxable Property for which a building permit has been or is intended to be issued for purposes of constructing a residential dwelling unit(s).

“Retail Property” means Taxable Property used or intended for use primarily for selling goods or services to the general public, not including Residential Property, Office Property, and Hotel Property, including any ancillary space thereto.

“Special Tax” means either or both Special Tax A or Special Tax B.

“Special Tax A” means the Special Tax A levied and that may be collected by the County each Fiscal Year pursuant to the provisions herein.

“Special Tax B” means the Special Tax B levied and that may be collected by the County each Fiscal Year pursuant to the provisions herein.

“Special Tax A Credit” means, when used with reference to any Parcel for any Fiscal Year, Tax Increment Revenues and Tax Agreement Revenues collected from that Parcel for that Fiscal Year.

“Special Tax A Requirement” has the meaning given to it in Section E.1.

“Special Tax B Requirement” has the meaning given to it in Section F.1.

“Supervisor” means the Supervisor of Assessments for the County.

“Tax Agreement Revenues” means payments made in-lieu of regular property taxes and available under the Indenture of Trust to be included in the calculation of the Special Tax A Requirement.

“Tax Increment Fund” means the account of such name established for the District pursuant to the Ordinance.

“Tax Increment Revenues” means the amounts paid into the Tax Increment Fund each year by the County and available to apply to the Special Tax A Requirement.

“Taxable Property” means any Parcel that is not Public Property, Owner Association Property, or Parking Property.

“Trustee” means the trustee appointed by the County or MEDCO for the District to carry out the duties of the trustee specified in the Indenture of Trust.

“Undeveloped Property” means Parcels of Taxable Property not classified as Developed Property.

B. MAXIMUM SPECIAL TAX A

1. Developed Property

The Maximum Special Tax A for the 2014-2015 Fiscal Year for each Parcel of Developed Property shall be equal to the product of the number of residential dwelling units, Building Square Footage, or rooms that may be built on such Parcel and the Maximum Special Tax A Rate for each class of property shown in Table A.

TABLE A

**Developed Property
Maximum Special Tax A Rates
2014-2015 Fiscal Year**

Property Class	Maximum Special Tax A Rates
Hotel Property	\$8,700 per room
Office Property	\$12,500 per 1,000 BSF
Residential Property	\$15,200 per dwelling unit
Retail Property	\$20,500 per 1,000 BSF

On each July 1 that first follows the Commencement Date, the Maximum Special Tax A Rates shall be increased to 102 percent of the respective Maximum Special Tax A Rate in effect in the previous Fiscal Year.

The computation of the number of units, BSF, or rooms 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 shall be conclusive as long as there is a reasonable basis for such determination.

2. Undeveloped Property

The Maximum Special Tax A for any Fiscal Year for each Parcel classified as Undeveloped Property shall be determined by the following formula:

$$A = (B - C) \times (D \div E)$$

Where the terms have the following meaning:

A	=	The Maximum Special Tax A for a Parcel of Undeveloped Property
B	=	The District Maximum Special Tax A
C	=	The Special Tax A to be collected from all Parcels of Developed Property
D	=	The Net Land Area of the Parcel for which the Special Tax A is being calculated
E	=	The Net Land Area of all of the Parcels of Undeveloped Property.

3. Adjusted Maximum Special Tax A

The Adjusted Maximum Special Tax A for each Parcel shall be equal to the lesser of (but not less than zero) (i) the Maximum Special Tax A 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 A for a Parcel
B	=	The Maximum Special Tax A for the Parcel
C	=	The Special Tax A Credit for the Parcel

The Special Tax A Credit applied to all Parcels shall not exceed the Tax Increment Revenues and Tax Agreement Revenues applied to the Special Tax A Requirement as provided for in Section E. 1.

4. Personal Property

The Maximum Special Tax A Rate on personal property shall be zero.

C. MAXIMUM SPECIAL TAX B

1. Developed Property

The Maximum Special Tax B for the 2014-2015 Fiscal Year for each Parcel of Developed Property shall be equal to the product of the number of residential dwelling units, Building Square Footage, or rooms that may be built on such Parcel and the Maximum Special Tax B Rate for each such class of property shown in Table B.

TABLE B

**Developed Property
Maximum Special Tax B Rates
2014-2015 Fiscal Year**

Property Class	Maximum Special Tax B Rates
Hotel Property	\$1,400 per room
Office Property	\$2,100 per 1,000 BSF
Residential Property	\$2,500 per dwelling unit
Retail Property	\$3,400 per 1,000 BSF

On July 1 of each Fiscal Year, commencing July 1, 2015, the Maximum Special Tax B Rates in effect for the previous Fiscal Year shall be increased by the increase in the Consumer Price Index for the Baltimore area or another price index selected by the Director of Budget and Finance that represents general price inflation for the previous Fiscal Year.

The computation of the number of units, BSF, or rooms 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 shall be conclusive as long as there is a reasonable basis for such determination.

2. Undeveloped Property

The Maximum Special Tax B for any Fiscal Year for each Parcel classified as Undeveloped Property shall be determined by the following formula:

$$A = (B - C) \times (D \div E)$$

Where the terms have the following meaning:

- A = The Maximum Special Tax B for a Parcel of Undeveloped Property
- B = The Special Tax B Requirement
- C = The Special Tax B to be collected from all Parcels of Developed Property
- D = The Net Land Area of the Parcel for which the Special Tax B is being calculated
- E = The Net Land Area of all of the Parcels of Undeveloped Property.

3. Personal Property

The Maximum Special Tax B Rate on personal property shall be zero.

D. ASSIGNMENT TO LAND USE CATEGORIES

For each Fiscal Year, each Parcel shall be classified as Public Property, Owner Association Property, Parking Property, or Taxable Property. Each Parcel of Taxable Property shall be classified as Developed Property or Undeveloped Property. Each Parcel of Developed Property shall be classified as Residential Property, Hotel Property, Office Property, or Retail Property. Each classification shall be made on the basis of the classification that most nearly matches the property being classified. The classification of Parcels shall be made based on the status of each Parcel as of the Date of Classification.

E. LEVY AND COLLECTION OF SPECIAL TAX A

Special Tax A is levied each Fiscal Year, beginning with the 2014-2015 Fiscal Year and continuing until the year provided for in Section I hereof, at the Maximum Special Tax A. Special Tax A shall be collected each Fiscal Year as provided for below.

1. Special Tax A Requirement

The Special Tax A 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 Tax A 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) a contingency, which may include estimated delinquencies expected in payment of Special Tax A, (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), (6) fees to be paid to MEDCO less (B) (1) Tax Increment Revenues available to apply to the Special Tax A 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 A Requirement.

2. Determination of the Special Tax A to Be Collected

Commencing with Fiscal Year 2014-2015 and for each following Fiscal Year, the Special Tax A shall be collected as provided below.

First: The Special Tax A shall be collected Proportionately from each Parcel of Undeveloped Property up to the Adjusted Maximum Special Tax A for such property to the extent necessary to fund the Special Tax A Requirement.

Second: If additional monies are needed to fund the Special Tax A Requirement after the first step has been completed, the Special Tax A shall be collected Proportionately from each Parcel of Developed Property up to 100 percent of the Adjusted Maximum Special Tax A for such property, to the extent necessary to fund the Special Tax A Requirement.

The Administrator shall provide an estimate to the County prior to each Fiscal Year of the amount of the Special Tax to be collected from each Parcel in conformance with the provisions of this section.

3. Circumstances under Which the Special Tax A May Be Increased as a Result of a Default

The Special Tax A levied on any Parcel may be increased as a result of a default in the payment of the Special Tax A levied on any other Parcel only accordance with the provisions of Section E. 1. and E. 2. The Special Tax A levied on any Parcel cannot be increased above the Adjusted Maximum Special Tax A as a result of a default in the payment of the Special Tax A levied on any other Parcel. However, if the Special Tax A to be collected from any Parcel pursuant to the provisions of Section E. 1. and E. 2. is less than the Adjusted Maximum Special Tax A for such Parcel, the Special Tax A to be collected may be increased up to the Adjusted Maximum Special Tax A as a result of a default in the payment of the Special Tax A to be collected from any Parcel.

F. LEVY AND COLLECTION OF SPECIAL TAX B

Special Tax B is levied each Fiscal Year, beginning with the 2014-2015 Fiscal Year and continuing until the year provided for in Section I hereof, at the Maximum Special Tax B. Special Tax B shall be collected each Fiscal Year as provided for below.

1. Special Tax B Requirement

The Special Tax B 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 the costs of operation and maintenance of the Public Improvements, which shall include, without limitation, wages and salaries and benefits, including an allocable share of the salaries of County and MEDCO staff directly related to the operation and maintenance of the Public Improvements and a proportionate amount of County and MEDCO general administration overhead related thereto, costs of insurance, and out-of-pocket costs and expenses of services and supplies related to the operation and maintenance of the Public Improvements, costs of necessary and proper repairs, replacements and renewals, including (without limitation) extraordinary maintenance and repair expenses and reasonable contingencies and reserves and (B) contingencies as estimated by the Administrator and determined by the County for delinquencies in the payment of Special Tax B.

2. Determination of the Special Tax B to Be Collected

Commencing with Fiscal Year 2014-2015 and for each following Fiscal Year, the Special Tax B shall be collected as provided below.

First: The Special Tax B shall be collected Proportionately from each Parcel of Developed Property up to 100 percent of the Maximum Special Tax for such Property, to the extent necessary to fund the Special Tax B Requirement.

Second: If additional monies are needed to fund the Special Tax B Requirement after the first step has been completed, the Special Tax B shall be collected Proportionately from each Parcel of Undeveloped Property up to 100 percent of the Maximum Special Tax B for such property, to the extent necessary to fund the Special Tax B Requirement.

The Administrator shall provide an estimate to the County prior to each Fiscal Year of the amount of the Special Tax to be collected from each Parcel in conformance with the provisions of this section.

3. Circumstances under Which the Special Tax B May Be Increased as a Result of a Default

The Special Tax B levied on any Parcel may be increased as a result of a default in the payment of the Special Tax B levied on any other Parcel only in accordance with the provisions of F. 1. and F. 2. The Special Tax B levied on any Parcel cannot be increased above the Maximum Special Tax B as a result of a default in the payment of the Special Tax B levied on any other Parcel. However, if the Special Tax B to be collected from any Parcel pursuant to the provisions of Section F. 1. and F. 2. is less than the Maximum Special Tax B for such Parcel, the Special Tax B to be collected may be increased up to the Maximum Special Tax B as a result of a default in the payment of the Special Tax B to be collected from any Parcel.

G. EXEMPTIONS

A Special Tax shall not be levied on or collected from Public Property, Owner Association Property or Parking Property.

H. MANNER OF COLLECTION

The Special Tax shall 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 Budget and Finance, provided that such time or manner is not inconsistent with the provisions of the Indenture of Trust or any Pledge Agreement.

I. TERMINATION OF SPECIAL TAX

1. Special Tax A

Except for any delinquent Special Tax A and related penalties and interest, the Special Tax A shall not be collected from any Parcel after the earliest of (i) the repayment or defeasance of all of the Bonds and payment of all amounts payable by the County under the Pledge Agreement, and (ii) the fortieth (40th) Fiscal Year in which such Parcel was taxed as Developed Property, and (iii) such time provided for by the Indenture of Trust.

2. Special Tax B

Except for any delinquent Special Tax B and related penalties and interest, the Special Tax B shall not be collected from any Parcel after the earliest of (i) the transfer of the Public Improvements to a private entity that provides for the maintenance and operations of the Public Improvements in an agreement approved by MEDCO, (ii) Fiscal Year 2053-2054, and (iii) such time agreed to by MEDCO.

J. REDUCTION IN THE MAXIMUM SPECIAL TAX A AND MAXIMUM SPECIAL TAX B; LEVY AND COLLECTION OF SPECIAL TAX A AND SPECIAL TAX B AS A SINGLE TAX

The Maximum Special Tax A Rates and the District Maximum Special Tax A may be reduced by the Director of Budget and Finance pursuant to the Pledge Agreement once all of the Bonds are issued to reflect the actual debt service on the Bonds such that the District Maximum Special Tax A and the Maximum Special Tax A that may be collected from all Parcels of Developed Property at the expected build-out of the District is equal to the minimum debt service coverage requirement provided for in the Indenture of Trust.

The Maximum Special Tax B Rates may be reduced by the Director of Budget and Finance pursuant to the Pledge Agreement once all of the Public Improvements are completed to reflect the actual costs of operating and maintaining the Public Improvements, along with any other costs included in the Special Tax Requirement B.

The Director of Budget and Finance shall make any such reductions in writing and shall provide a copy of such reductions to the Administrator, MEDCO and the Trustee.

Prior to the issuance of Bonds, if so provided in the Pledge Agreement, Special Tax A and Special Tax B shall be combined and levied and collected as a single tax in an amount equal to the sum of the amounts required to be levied and collected as Special Tax A and Special Tax B as provided herein.

K. 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 Budget and Finance not later than one calendar year after having paid the Special Tax that is

disputed. Such appeal may not affect the due date of the payment of the Special Tax. The Director of Budget and Finance shall promptly review the appeal and, if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and decide the appeal. If the decision of the Director of Budget and 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 applicable Special Tax Requirement), but an adjustment shall be made to the next Special Tax levy on that Parcel. The decision of the Director of Budget and Finance may be appealed to the County administrator. 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.

L. PREPAYMENT OF SPECIAL TAXES

Special Tax B may not be prepaid.

The Special Tax A for any Parcel may be prepaid and the obligation to pay the Special Tax A for the Parcel permanently satisfied as provided for herein. The Special Tax A to be prepaid for Parcels of Undeveloped Property shall be calculated as if the Parcels were Developed Property.

The Special Tax A prepayment amount shall be equal to the following: (a) the sum of the following: (i) Principal, (ii) Premium, (iii) Defeasance, and (iv) Fees, (b) less the Reserve Fund Credit, if any, plus any delinquent Special Tax A on such Parcel, including any applicable penalties and related costs, where the terms have the following meanings:

Principal means a portion of the principal of the Bonds equal to (i) the Maximum Special Tax A for the Parcel for which the Special Tax A is being prepaid for the Fiscal Year in which such prepayment is made divided by (ii) the Maximum Special Tax A for all Taxable Property in the District upon full development of the District using the Maximum Special Tax A Rates for the Fiscal Year in which such prepayment is made with the result multiplied by (iii) the total Bonds outstanding after application of the Special Tax A collected in the corresponding Fiscal Year plus any additional Bonds authorized to be issued.

Premium means an amount equal to the Principal multiplied by the applicable redemption premium for the Bonds to be redeemed on the earliest date on which such Bonds are to be redeemed, as provided for in the Indenture of Trust. There shall be no Premium if the prepayment is made prior to the issuance of any Bonds.

Defeasance means the amount needed to pay interest on the Principal until the date on which the Bonds are to be redeemed, less (a) the amount that is projected to be received by the Trustee from the reinvestment of the Special Tax A prepayment until such Bonds are redeemed from the prepayment and (b) the Special Tax A paid prior to the prepayment that will be applied to the interest on or principal of the Bonds that is included in the calculation of the Principal or Defeasance.

Fees means Administrative Expenses associated with the prepayment, including but not limited to the calculation of the prepayment, the costs of redeeming the Bonds (including, but not limited

to, any costs associated with effectuating a defeasance in accordance with the Indenture of Trust), and the costs of recording or publishing any notices related to the prepayment and the redemption of the Bonds.

Reserve Fund Credit means any reduction in funds required to be on deposit in the reserve fund resulting from the redemption of Bonds, as provided for in the Indenture of Trust.

The sum of the amounts calculated herein shall be paid to the County or the Trustee in accordance with the Indenture of Trust and shall be used to pay and redeem the Bonds in accordance with the Indenture of Trust and to pay the Administrative Expenses associated with the prepayment. Upon the payment of such prepayment amount to the County or the Trustee, the obligation to pay the Special Tax A for such Parcel shall be deemed to be permanently satisfied, and the Special Tax A shall not be collected thereafter from such Parcel.

M. PARTIAL PREPAYMENT OF THE SPECIAL TAX A

The Special Tax A for any Parcel may be partially prepaid in an amount convenient to call Bonds as determined by the Administrator and that portion of the Special Tax A obligation permanently satisfied. The amount of the prepayment shall be calculated as in Section L; except, however, the principal portion shall be calculated according to the following formula:

$$A = B \times C$$

Where the terms have the following meaning:

- A = the principal portion of the partial prepayment
- B = the principal portion of the prepayment calculated according to Section L
- C = the percent by which the Special Tax A is to be partially prepaid

With respect to any Parcel for which the Special Tax A is partially prepaid, the County shall (i) distribute the funds remitted to it according to the Indenture of Trust, and (ii) indicate in the records of the District that there has been a partial prepayment of the Special Tax A and that this portion of the Special Tax A shall not be collected thereafter from these Parcels. Following a partial prepayment of the Special Tax A with respect to any Parcels, the outstanding percentage of the Special Tax A shall continue to be collected from such Parcels.

N. MANDATORY PREPAYMENT OF SPECIAL TAX A

A Mandatory Prepayment of the Special Tax A shall be required for any Parcel of Taxable Property if the Maximum Special Tax A for that Parcel is less than the Required Maximum Special Tax A as a result of a change in the development of that Parcel. A change in development shall include, but not be limited to, a change in classification of Taxable Property to Public Property or Owner Association Property as a result of a sale or other disposition of the Parcel or any condemnation or agreement with a public authority or owners association in the nature of or in lieu of condemnation. The Maximum Special Tax A for the Parcel shall be

calculated based on the Maximum Special Tax A Rates and the development that is to occur on such Parcel and in accordance with the Indenture of Trust.

The Mandatory Prepayment of Special Tax A shall be calculated as set forth in Section L; however, "Principal" shall be calculated according to the following formula:

$$A = [(B - C) \div D] \times E$$

Where the terms have the following meaning:

- A = the principal portion of the Mandatory Prepayment of Special Tax A
- B = the Required Maximum Special Tax A
- C = the Maximum Special Tax A for the Parcel, calculated as set forth above
- D = the District Maximum Special Tax A
- E = the total principal amount of Bonds outstanding.

The amounts calculated in the preceding formula shall be paid to the County or the Trustee and in accordance with the Indenture of Trust and shall be used to pay and redeem the Bonds in accordance with the Indenture of Trust and to pay the Administrative Expenses associated with the Mandatory Prepayment of Special Tax A.

The Mandatory Prepayment of Special Tax A shall be due prior to the recordation, conveyance, or other action that results in a change to any Parcel resulting in a Mandatory Prepayment of Special Tax A. In the event the Mandatory Prepayment of Special Tax A is not paid prior to the change in any Parcel, the total Mandatory Prepayment of Special Tax A may be collected from any and all of the resulting Parcels, including any Parcel to which such change relates that is not redesignated in connection with the change. The Mandatory Prepayment of Special Tax A shall have the same sale and lien priorities as provided for by law for Special Taxes.

The Mandatory Prepayment of Special Tax A shall not exceed the amount required to provide for the payment or redemption of the principal amount of the outstanding Bonds plus the other amounts set forth in Section N.

O. ELIMINATION OF THE MANDATORY PREPAYMENT OF SPECIAL TAX A

The Mandatory Prepayment of Special Tax A may be terminated by the Director of Budget and Finance provided that at the time of such termination there are no Bonds outstanding that are subject to mandatory prepayment upon a change in a Parcel pursuant to the Indenture of Trust. The Director of Budget and Finance shall make such termination in writing and copy of any such termination shall be provided to MEDCO, the Administrator and the Trustee.

P. 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 any ambiguity, defect or inconsistency 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 and costs of operation and maintenance, respectively. No such amendment shall be approved unless and until the County has found and determined that the amendment is necessary and appropriate and does not materially adversely affect the rights of the owners of the Bonds. Any such amendment may not increase the Maximum Special Tax.

Q. 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.