

Introduced: Ms. Davis
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RESOLUTION NUMBER 2018

A RESOLUTION ADOPTED PURSUANT TO SECTIONS 12-201 *ET SEQ.* OF THE ECONOMIC DEVELOPMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND, AS AMENDED (THE “TAX INCREMENT FINANCING ACT”) AND SECTIONS 21-407 *ET SEQ.* OF THE LOCAL GOVERNMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND, AS AMENDED (THE “SPECIAL TAXING DISTRICT ACT”, AND COLLECTIVELY WITH THE TAX INCREMENT FINANCING ACT, THE “ACTS”) PROVIDING FOR THE DESIGNATION OF CERTAIN CONTIGUOUS PROPERTY IN THE CITY OF GREENBELT, MARYLAND (THE “CITY”) CURRENTLY KNOWN AS THE GREENBELT STATION AS A DEVELOPMENT DISTRICT (THE “GREENBELT STATION DEVELOPMENT DISTRICT”) FOR PURPOSES OF THE TAX INCREMENT FINANCING ACT, AND OF A GEOGRAPHICALLY COINCIDENT AREA AS A SPECIAL TAXING DISTRICT (THE “GREENBELT STATION SPECIAL TAXING DISTRICT”) FOR THE PURPOSES OF THE GREENBELT STATION SPECIAL TAXING DISTRICT ACT (COLLECTIVELY, THE “DISTRICTS”); CREATING CERTAIN SPECIAL FUNDS PURSUANT TO THE ACTS; PROVIDING FOR THE DEPOSIT AND USE OF MONEYS IN SUCH SPECIAL FUNDS; PLEDGING THAT THE CITY WILL ALLOCATE AND DIVIDE PROPERTY TAXES ON REAL PROPERTY WITHIN THE GREENBELT STATION DEVELOPMENT DISTRICT SO THAT A CERTAIN PORTION OF THE REAL PROPERTY TAX (THE “TAX INCREMENT”) WILL BE ALLOCATED AND PAID INTO ONE OF THE SPECIAL FUNDS, AND PROVIDING FOR THE LEVY, IMPOSITION AND COLLECTION OF SPECIAL TAXES OR AD VALOREM TAXES ON REAL PROPERTY WITHIN THE GREENBELT STATION SPECIAL TAXING DISTRICT TO BE DEPOSITED TO THE OTHER SPECIAL FUND IN THE EVENT THE TAX INCREMENT REVENUES ARE OR WILL BE INSUFFICIENT TO PAY DEBT SERVICE ON ANY SPECIAL OBLIGATION BONDS THAT MAY BE ISSUED BY THE MAYOR AND CITY COUNCIL OF THE CITY UNDER THE ACTS; LEVYING, IMPOSING AND PROVIDING FOR THE COLLECTION OF THE SPECIAL TAX PURSUANT TO THE RATE AND METHOD IDENTIFIED HEREIN AND FOR VARIOUS MATTERS RELATING THERETO; GENERALLY PROVIDING FOR THE LEVY, IMPOSITION, COLLECTION AND APPLICATION OF SUCH SPECIAL TAX IN ACCORDANCE WITH THE ACTS IDENTIFIED HEREIN AND FOR VARIOUS MATTERS RELATING THERETO; AND PROVIDING FOR, FINDING AND DETERMINING MATTERS IN CONNECTION THEREWITH.

RECITALS

Sections 12-201 *et seq.* of the Economic Development Article of the Annotated Code of Maryland (as amended from time to time, the “Tax Increment Financing Act”) authorize the Mayor and City Council of the City of Greenbelt, Maryland (the “City”) to establish a “development district” (as such term is used in the Tax Increment Financing Act) and a “special fund” (as such term is used in the Tax Increment Financing Act) into which the “tax increment” (as such term is used in the Tax Increment Financing Act) of properties located in such development district is deposited, and to issue bonds, the proceeds of which may be used only (1) to buy, lease, condemn, or otherwise acquire property, or an interest in property: (i) in the development district or a sustainable community; or (ii) needed for a right-of-way or other easement to or from the development district or a sustainable community; (2) for site removal; (3) for surveys and studies; (4) to relocate businesses or residents; (5) to install utilities, construct parks and playgrounds, and for other needed improvements including: (i) roads to, from, or in the development district; (ii) parking; and (iii) lighting; (6) to construct or rehabilitate buildings for a governmental purpose or use; (7) for reserves or capitalized interest; (8) for necessary costs to issue bonds (as such term is used in the Tax Increment Financing Act); and (9) to pay the principal of and interest on loans, advances, or indebtedness that that the City incurs for any of the foregoing purposes.

The Tax Increment Financing Act provides that the bonds shall be payable from the special fund and the City may also establish sinking funds and debt service reserve funds, and pledge other assets and revenues toward the payment of the bonds.

Sections 21-407 *et seq.* of the Local Government Article of the Annotated Code of Maryland (as amended from time to time, the “Special Taxing District Act”) authorize municipal corporations, including the City, to create a “special taxing district” (as such term is used in the Special Taxing District Act), to impose ad valorem taxes or special taxes on all real and personal property within the special taxing district and to issue its “bonds” (as such term is used in the Special Taxing District Act) for the purpose of financing, refinancing or reimbursing the “cost” (as such term is used in the Special Taxing District Act) of establishing, acquiring, designing, constructing, altering, or extending adequate infrastructure improvements as necessary for the development and use of land in any defined geographic region in the municipality, including storm drainage systems, sewers, water systems, roads, bridges, culverts, tunnels, sidewalks, lighting, parking, parks and recreation facilities, libraries, and schools, whether situated within the special taxing district or in the municipality, outside the special taxing district if the infrastructure improvement is reasonably related to other infrastructure improvements in the special taxing district.

The bonds authorized to be issued by the Special Taxing District Act are special obligations of the City payable from a special fund created by the City for the purpose of paying debt service on the bonds, from sinking funds and debt service reserve funds established therefor, and from other assets or revenues, if any, pledged by the City for that purpose.

Prior to issuing and selling bonds for the purposes allowed under the Special Taxing District Act, a request must be made to the City by both (i) at least two-thirds of the owners of the real property located within the special taxing district, provided that: (A) multiple owners of a single

parcel are treated as a single owner and (B) a single owner of multiple parcels is treated as one owner; and (ii) the owners of at least two-thirds of the assessed valuation of the real property located within the special taxing district.

Before issuing bonds under the Special Taxing District Act, the governing body of the City is required to designate by resolution an area as a “special taxing district”, to adopt a resolution creating a special fund with respect to the special taxing district, to provide for the imposition of an ad valorem tax or special tax on all real and personal property within the special taxing district, and to pledge that it will pay such ad valorem tax or special tax into the special fund.

NVR MS Cavalier Greenbelt, LLC, a Delaware limited liability company (“NVR MS”), NVR, Inc., d/b/a NVHomes, a Virginia corporation (“NVHomes”), and NVR, Inc., d/b/a Ryan Homes, a Virginia corporation (“Ryan Homes” and, collectively with NVR MS and NVHomes, the “Owners”), are the owners of the real property identified by reference to the metes and bounds description set forth on Exhibit A to this Resolution (the “Development District Property” or the “Special Taxing District Property” or the “Property”). The Property forms a contiguous area and is located entirely within the geographic boundaries of the City.

CoastOak Group and Woodlawn Development Group (collectively, the “Developers”), as the developers of the Project (hereinafter defined), propose to develop the Property as a master planned residential development to be known as Greenbelt Station (or another trade name) (the “Project”) and to enter into a development agreement with the City pursuant to which the Developers will construct certain public improvements for the Project, including, without limitation, the public improvements listed and described in Exhibit B to this Resolution (the “Public Improvements”).

The development of the Project will require the provision of the Public Improvements.

Representatives of the Developers have held discussions with representatives of the City as to the scope of, and any initial financing or reimbursement for, a portion of the contemplated Public Improvements, pursuant to the creation of a development district and a special taxing district as provided in the Acts, and the issuance of bonds pursuant to the combined authority of such Acts; provided that only costs authorized under both of the Acts would be financed or reimbursed from the proceeds of bonds issued pursuant to the Acts.

Representatives of the Developers have represented that the proposed development of the Property and the provision of Public Improvements would not be possible but for the creation of the Districts and the issuance of bonds under the Acts.

Representatives of the Owners and Atapco Properties, Inc., a Maryland corporation (collectively the “Petitioners”), have proposed that (1) the entire Development District Property be designated as a development district and the geographically coincident Special Taxing District Property be designated as a special taxing district pursuant to the respective Acts; (2) the bonds to be issued to finance or reimburse the costs of the Public Improvements be repaid in the first instance through real property tax revenues allocable to the tax increment with respect to the Development District Property pursuant to the Tax Increment Financing Act; and (3) if the assessed valuation of

the Development District Property in any year is not sufficient to generate tax increment revenues so that 50% (or such lower percentage as may be determined by the City) of such tax increment revenues will at least equal the amount necessary to repay such bonds, the City will impose special taxes or ad valorem taxes on the Special Taxing District Property pursuant to the Special Taxing District Act to repay the bonds.

In accordance with the Special Taxing District Act, the Petitioners have submitted to the City a request entitled “Request to Create and Establish a Special Taxing District, Levy and Impose Special Taxes on the Property in the Special Taxing District, and Issue Special Obligation Bonds” (the “Request”). A copy of the Request has been submitted to the City Council of the City (the “City Council”) prior to the introduction of this Resolution. The Petitioners represented and warranted in the Request that they are (i) the owners of at least two-thirds of the assessed valuation of the real property located in the proposed special taxing district and (ii) at least two-thirds of the owners of the real property located in the proposed special taxing district, calculated in accordance with the Special Taxing District Act.

Pursuant to the Request, the Petitioners have asked the City (i) to establish a special taxing district consisting of the entire Special Taxing District Property to be known as the “Greenbelt Station Special Taxing District” (the “Greenbelt Station Special Taxing District”), (ii) to create and establish a special fund with respect to the Greenbelt Station Special Taxing District, (iii) to undertake to issue, and issue, its bonds as special obligations of the City under the authority of the Special Taxing District Act from time to time in one or more series pursuant to the Special Taxing District Act (including, without limitation, bonds to finance or refinance the completion of the improvements described in the Request and refunding bonds) for the Project, to the extent such costs are permitted to be so financed or reimbursed by the Special Taxing District Act, which identified public improvements include the Public Improvements, such improvements and related infrastructure to be located within or outside (if the infrastructure improvement is reasonably related to other infrastructure improvements in the Greenbelt Station Special Taxing District) the Greenbelt Station Special Taxing District, as applicable, and other expenses permitted by the Special Taxing District Act and applicable law and (iv) to levy and impose special taxes on the property in the Greenbelt Station Special Taxing District pursuant to the Special Taxing District Act, at the rates and in the amounts to be determined pursuant to a Rate and Method identified herein.

The City, following a public hearing held prior to the adoption of this Resolution pursuant to notice published in a newspaper of general circulation in the City not less than 10 days before such hearing, has determined that a need exists in the City for public improvements in connection with the proposed development of the Development District Property and the Special Taxing District Property and that the economy of the City will benefit from the development of such property.

Pursuant to the Acts, the City has determined to designate the Development District Property as a “development district” pursuant to the provisions of the Tax Increment Financing Act and to designate the geographically coincident Special Taxing District Property as “special taxing district” pursuant to the provisions of the Special Taxing District Act.

By the passage of this Resolution, the City desires to (i) pledge that that portion of the property taxes on real property located within the Greenbelt Station Development District

representing the levy on the Tax Increment shall be paid into the Greenbelt Station Tax Increment Fund pursuant to Sections 12-203 and 12-208 of the Tax Increment Financing Act when collected, and applied in accordance with this Resolution and Section 12-209 of the Tax Increment Financing Act and (ii) levy, impose and collect, pursuant to Section 21-414 of the Special Taxing District Act, a special tax to be designated the “Greenbelt Station Special Tax” (the “Greenbelt Station Special Tax”) upon all real and personal property within the Greenbelt Station Special Taxing District, unless otherwise provided by law or by the provisions hereof, for the purposes, to the extent and in the manner herein provided, contingent upon the issuance and sale of any Bonds, and to the extent that 50% (or such lower percentage as may be determined by the City) of the moneys on deposit in the Greenbelt Station Tax Increment Fund or otherwise available for such purposes under any trust indenture for any such Bonds are insufficient (A) to cover debt service on the Bonds, (B) to replenish any debt service reserve fund or (C) for any authorized purpose relating to the ongoing expenses of or security for the Bonds, at a rate or rates and amount designed to provide, together with 50% (or such lower percentage as may be determined by the City) of the moneys anticipated to be on deposit in the Greenbelt Station Tax Increment Fund, adequate revenues at least sufficient in each year in which any of the Bonds are outstanding to pay the principal of, interest on, and redemption premium, if any, on the Bonds, to replenish any debt service reserve fund, and for any other purpose relating to the ongoing expenses of or security for the Bonds, and to take certain other actions pursuant to the authority of the Acts.

The Greenbelt Station Special Tax shall be imposed, levied and collected in the Greenbelt Station Special Taxing District beginning with the fiscal year specified in the Rate and Method identified herein, if necessary, in an amount to be determined in accordance with the Rate and Method identified herein.

The Greenbelt Station Special Tax shall be collected in the same manner and at the same time as regular ad valorem taxes are collected within the Greenbelt Station Special Taxing District, and shall be discontinued when all of the Bonds, if issued, have been paid in full (either at their maturity or prior to maturity by defeasance in full).

The Acts provide that no bonds may be issued by the City until an ordinance is enacted specifying and describing the proposed undertaking, specifying certain details of the bonds, among other matters, and making certain other findings and determinations with respect to the bonds. The City may, but is not obligated to, enact an ordinance to authorize the issuance of the bonds pursuant to the combined authority of the Acts (the “Bond Ordinance”).

Pursuant to the Special Taxing District Act and this Resolution, the establishment and designation of the Greenbelt Station Special Taxing District as a special taxing district, and the imposition and levy of the Greenbelt Station Special Tax may not be subject to referendum by reason of any other State of Maryland or local law.

By the adoption of this Resolution, the City does not obligate itself to enact the Bond Ordinance (or approve any terms thereof) or issue any Bonds.

NOW, THEREFORE, IN ACCORDANCE WITH THE ACTS, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF GREENBELT, MARYLAND THAT:

SECTION 1. For the purposes of this Resolution:

(a) The terms defined in the Recitals hereto shall have the meanings therein set forth (unless also defined in this Section 1) and, in addition, the following terms shall have the meanings set forth below:

(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, without regard to the agricultural use assessment for the property as of January 1 of the year preceding the effective date of this Resolution (meaning January 1, 2013).

(ii) “Assessable Base” means the total assessable base, as determined by the Supervisor of Assessments, of all real property subject to taxation in the Greenbelt Station Development District.

(iii) “Assessment Ratio” means a real property tax assessment ratio, however designated or calculated, that is used under applicable general law to determine the Assessable Base. “Assessment Ratio” includes the assessment percentage specified under Section 8-103(c) of the Tax-Property Article of the Annotated Code of Maryland.

(iv) “Bonds” means a revenue bond, note, or other similar instrument issued by the City to finance or reimburse the cost of public improvements in or reasonably related to other infrastructure improvements in the Districts and other costs permitted by both of the Acts with respect to the Districts.

(v) “Districts” means the Greenbelt Station Development District and the Greenbelt Station Special Taxing District, collectively.

(vi) “Greenbelt Station Development District” means the contiguous area in the City described in Exhibit A to this Resolution and designated in Section 3 of this Resolution by name as the “Greenbelt Station Development District” and as a development district under the Tax Increment Financing Act.

(vii) “Greenbelt Station Special Tax” means the ad valorem taxes or special taxes, if any, which shall be levied and imposed by the City on the properties located in the Greenbelt Station Special Taxing District pursuant to the Special Taxing District Act and this Resolution.

(viii) “Greenbelt Station Special Taxes Fund” means the “Greenbelt Station Special Taxes Fund” created pursuant to Section 6 of this Resolution as a special fund in accordance with the Special Taxing District Act.

(ix) “Greenbelt Station Special Taxing District” means the area in the City described in Exhibit A to this Resolution and designated in Section 3 of this Resolution by name as the “Greenbelt Station Special Taxing District” and as a special taxing district under the Special Taxing District Act.

(x) “Greenbelt Station Tax Increment Fund” means the “Greenbelt Station Tax Increment Fund” created pursuant to Section 5 of this Resolution in accordance with the Tax Increment Financing Act.

(xi) “Indenture” means the indenture of trust (howsoever named) entered into by the City and the Trustee (hereinafter defined) in connection with the issuance of any of the Bonds or the Refunding Bonds (hereinafter defined), as amended, modified or supplemented from time to time.

(xii) “Original Base” means the Assessable Base as of January 1 of the year preceding the effective date of this Resolution (meaning January 1, 2013).

(xiii) “Original Full Cash Value” means the dollar amount that is determined by dividing the Original Base by the Assessment Ratio used to determine the Original Base.

(xiv) “Original Taxable Value” means, for any Tax Year (hereinafter defined) the dollar amount that is (1) the Adjusted Assessable Base, if an Adjusted Assessable Base applies, or (2) in all other cases, the lesser of:

(A) the product of multiplying the Original Full Cash Value by the Assessment Ratio applicable to that Tax Year; and

(B) the Original Base.

(xv) “Refunding Bonds” means any revenue bonds or bond, notes or note, or other similar instruments or instrument issued in one or more series by the City from time to time to refund any of the Bonds and to pay other costs permitted by both of the Acts with respect to the Districts.

(xvi) “Special Funds” means, collectively, the Greenbelt Station Tax Increment Fund and the Greenbelt Station Special Taxes Fund created pursuant to Sections 5 and 6 of this Resolution, respectively.

(xvii) “Tax Increment” means for any Tax Year the amount by which the Assessable Base as of January 1 of the preceding Tax Year exceeds the Original Taxable Value divided by the Assessment Ratio used to determine the Original Taxable Value.

(xviii) “Tax Year” means the period from July 1 of a calendar year through June 30 of the next calendar year.

(xix) “Trustee” means the bank, trust company or other banking association appointed from time to time to serve as the Trustee under the Indenture.

(b) References in this Resolution (i) to certain provisions of the Annotated Code of Maryland shall be to such provisions, as replaced, supplemented or amended from time to time, and (ii) to terms also defined in the Tax Increment Financing Act or the Special Taxing District Act are to be construed in accordance with the provisions of such respective Acts, and in the event of any inconsistency between such terms as used in this Resolution and such Acts, or either one of the Acts, the provisions of the Acts shall control.

SECTION 2. (a) The Recitals to this Resolution are deemed a substantive part of this Resolution and are incorporated by reference herein.

(b) The creation of the Districts provided for herein, each of which is a contiguous area within the geographic boundaries of the City, as a development district and a special taxing district, as appropriate, within the meanings of the respective Acts, and any issuance by the City of the Bonds pursuant to both of the Acts in order to finance or reimburse costs and activities permitted by both of the Acts, will serve the public purposes of providing public improvements permitted by the Acts within the City, directly and indirectly enhancing the taxable base of the City, encouraging the development of residential areas, commerce and industry within the City, increasing the general health and welfare of the residents of the City and increasing employment within the City through the provision of the contemplated public improvements within or outside (but reasonably related to other public improvements within) the Districts.

(c) The Developers, which are private, for-profit entities, have already undertaken or expressed a desire to undertake or provide for the undertaking of residential development within the Districts, and all of the property within the Greenbelt Station Special Taxing District will be subject to additional taxation in accordance with the Special Taxing District Act.

(d) Any Bonds issued pursuant to the Acts to finance or reimburse the cost of public improvements within the Districts or outside the Districts but reasonably related to other public improvements within the Districts, to the extent permitted by both of the Acts, shall be a special obligation of the City and may not constitute a general obligation debt of the City or a pledge of the City’s full faith and credit or taxing power, and the City shall not be obligated to pay debt service on any such Bonds except from moneys deposited to the Special Funds identified herein.

(e) Each of the proposed Districts is located wholly within the geographic boundaries of the City.

(f) References in this Resolution to “public improvements” are intended to include the activities and costs that proceeds of Bonds may be applied to in accordance with both of the Acts.

(g) By the creation of the Districts, the City does not obligate itself to enact any Bond Ordinance (or approve any terms thereof) or issue any Bonds with respect to the Districts.

SECTION 3. The Development District Property is hereby designated as the “Greenbelt Station Development District” pursuant to Section 12-203 of the Tax Increment Financing Act and the geographically coincident Special Taxing District Property is hereby designated as the “Greenbelt Station Special Taxing District” pursuant to Section 21-412 of the Special Taxing District Act. The contiguous Development District Property area is referred to as the Greenbelt Station Development District for purposes of this Resolution and constitutes a “development district” within the meaning of and for all purposes of the Tax Increment Financing Act, and the geographically coincident Special Taxing District Property area is referred to as the Greenbelt Station Special Taxing District for purposes of this Resolution and constitutes a “special taxing district” within the meaning of and for all purposes of the Special Taxing District Act. The Greenbelt Station Development District shall consist of the Development Property and the Greenbelt Station Special Taxing District shall consist of the Special Taxing District Property. It is intended by this designation that any portion of any such real property currently located in either of the Districts that is subsequently further subdivided or transferred to another party or combined with one or more additional parcels of real property, including parcels located outside the current boundaries of either of the Districts, shall continue to be within the Greenbelt Station Development District and the Greenbelt Station Special Taxing District and subject to the provisions of the respective Acts, notwithstanding such subdivision, transfer or combination.

SECTION 4. This Resolution may be amended by one or more administrative resolutions of the City, following a public hearing after published notice in accordance with the Special Taxing District Act, which resolutions may enlarge or reduce the Districts. No such resolution shall be effective to reduce the size of either of the Districts so long as there are any Bonds or Refunding Bonds outstanding with respect to either of the Districts pursuant to the Acts, unless the ordinance with respect to such Bonds or Refunding Bonds permits the City to reduce the area constituting the Districts or the applicable percentage of the holders of such Bonds or Refunding Bonds specified in the Indenture or a representative on their behalf consents to any such reduction.

SECTION 5. (a) Pursuant to Section 12-208 of the Tax Increment Financing Act, there is hereby created a “special fund” within the meaning of the Tax Increment Financing Act to be designated the “Greenbelt Station Tax Increment Fund” (the “Greenbelt Station Tax Increment Fund”).

(b) The Mayor of the City (the “Mayor”), the City Manager of the City (the “City Manager”) or the City Treasurer of the Finance Department of the City (the “City Treasurer”) (or other appropriate officers or employees working under the direction of any such named official), on behalf of the City, following the effective date of this Resolution, but before any Bonds are issued, is each hereby authorized and directed to obtain from the Supervisor of Assessments (i) a certification of the amount of the Original Base and (ii) the Assessment Ratio used in determining the Original Base.

(c) The City hereby pledges that beginning with the Tax Year following the effective date of this Resolution and until the Bonds and any Refunding Bonds have been fully paid and the Indenture has been discharged in accordance with its terms, the real property taxes in the Greenbelt Station Development District shall be divided as follows:

(i) the portion of the taxes that would be produced at the current tax rate on the Original Taxable Value base shall be paid to the funds of the City in the same manner as taxes on other property are paid; and

(ii) the portion of the taxes on the Tax Increment that normally would be paid into the general fund of the City shall be paid into the Greenbelt Station Tax Increment Fund and applied in accordance with the provisions of Section 10 of this Resolution and Section 12-209 of the Tax Increment Financing Act. That portion of the taxes representing the levy on the Tax Increment that would normally be paid to the City shall be paid into the Greenbelt Station Tax Increment Fund to be applied in accordance with the provisions of Section 10 of this Resolution and Section 12-208 of the Tax Increment Financing Act. In accordance with Section 12-208 of the Tax Increment Financing Act, this yield shall not be considered as City taxes for the purposes of any constant yield tax limitation or State of Maryland or local restriction. Also in accordance with Section 12-208 of the Tax Increment Financing Act, no State real property taxes may be paid into the Greenbelt Station Tax Increment Fund.

(d) Any taxes allocated to the Greenbelt Station Tax Increment Fund in accordance with Section 12-203(a)(3)(ii) of the Tax Increment Financing Act and subsection (c)(ii) above shall be deposited in the Greenbelt Station Tax Increment Fund while this Resolution remains in effect.

(e) The City Treasurer or other appropriate fiscal officers are hereby directed and authorized to deposit or cause to be deposited in the Greenbelt Station Tax Increment Fund all taxes received by the City for any Tax Year commencing after the effective date of this Resolution that represent the levy on the Tax Increment referred to in subsection (c)(ii) above.

(f) The Mayor, the City Treasurer and other appropriate officers and employees of the City, to the extent applicable, are hereby authorized to take all necessary steps in order to establish and manage the Greenbelt Station Tax Increment Fund to be held by the City. If the Indenture so provides, the Greenbelt Station Tax Increment Fund may be held and managed in accordance with the provisions of the Indenture.

(g) If, during a time when no Bonds or Refunding Bonds are outstanding with respect to the Greenbelt Station Development District, the Assessment Ratio mandated by Maryland law is increased from that which applied in determining the Original Base, it is the intent and expectation of the City, to the extent permitted by law, that a supplemental resolution or ordinance will be adopted by the City for the purpose of assuring that additional funds are not deposited in the Greenbelt Station Tax Increment Fund as a result of the change in Assessment Ratio as compared to the amount of funds that would have been required to be deposited in the Greenbelt Station Tax Increment Fund if the Assessment Ratio had not been so increased.

(h) By the creation of the Greenbelt Station Tax Increment Fund, the City does not obligate itself to enact any ordinance (including the Bond Ordinance), or approve any terms thereof, to issue any Bonds with respect to the Greenbelt Station Development District.

SECTION 6. (a) Pursuant to Section 21-412(a) of the Special Taxing District Act, there is hereby created a “special fund” within the meaning of the Special Taxing District Act to be designated the “Greenbelt Station Special Taxes Fund” (the “Greenbelt Station Special Taxes Fund”).

(b) The taxes derived from the levy and imposition of the Greenbelt Station Special Tax on real and personal property within the Greenbelt Station Special Taxing District, once such Greenbelt Station Special Tax is levied, imposed and collected in accordance with the provisions of the Special Taxing District Act and this Resolution, shall be paid over to the Greenbelt Station Special Taxes Fund pursuant to Section 21-412(b) of the Special Taxing District Act and subsection (c) of this Section 6.

(c) Until any and all of the Bonds and any Refunding Bonds have been fully paid and the Indenture has been discharged in accordance with its terms, the City hereby pledges that it will pay all amounts collected from the Greenbelt Station Special Tax levied and imposed under the Special Taxing District Act on real and personal property within the Greenbelt Station Special Taxing District into the Greenbelt Station Special Taxes Fund established pursuant to this Section 6. This pledge to pay such Greenbelt Station Special Tax derived from the Greenbelt Station Special Taxing District is intended to be in complete fulfillment of the condition precedent to the issuance of the Bonds and any Refunding Bonds contained in Section 21-412 of the Special Taxing District Act. The pledge to so pay those collected Greenbelt Station Special Tax shall be continuous and irrevocable so long as any Bonds or Refunding Bonds are outstanding.

(d) The City Treasurer or other appropriate fiscal officers are hereby directed and authorized to deposit or cause to be deposited in such Greenbelt Station Special Taxes Fund all Greenbelt Station Special Tax received by the City in accordance with the provisions of this Resolution and the Special Taxing District Act.

(e) The Mayor, the City Treasurer and other appropriate officers and employees of the City, to the extent applicable, are hereby authorized to take all necessary steps in order to establish and manage the Greenbelt Station Special Taxes Fund to be held by the City. If the Indenture so provides, the Greenbelt Station Special Taxes Fund may be held and managed in accordance with the provisions of the Indenture.

(f) By the creation of the Greenbelt Station Special Taxes Fund, the City does not obligate itself to enact any ordinance (including the Bond Ordinance), or approve any terms thereof, to issue any Bonds with respect to the Greenbelt Station Special Taxing District.

SECTION 7. Commencing with the fiscal year specified in the “Rate and Method of Apportionment of Special Taxes of the Greenbelt Station Special Taxing District” dated March 19, 2014 attached hereto as Exhibit C and incorporated by reference herein as though set forth in full herein (the “Rate and Method”), and contingent upon the issuance and delivery of any Bonds, there is hereby levied and imposed pursuant to the Special Taxing District Act a special tax (the “Greenbelt Station Special Tax”) upon all real and personal property within the Greenbelt Station Special Taxing District, in an amount equal to the Maximum Special Tax provided for in the Rate and Method, excluding only real and personal property exempted by law or by the provisions of the

Rate and Method, provided that the Greenbelt Station Special Tax is subject to increase in each tax year as specified in the Rate and Method. The City has been provided with the documentation prepared by MuniCap, Inc. for the benefit of the City as to the methodology utilized in apportioning the Greenbelt Station Special Tax among property owners within the Greenbelt Station Special Taxing District and, based on, and in reliance upon, such documentation, the City finds that the methodology is reasonable and results in fairly allocating the costs of the Public Improvements as required by the Special Taxing District Act.

The Maximum Special Tax is hereby levied and imposed upon and allocated among the Parcels of Taxable Property (as defined in the Rate and Method) located in the Greenbelt Station Special Taxing District in accordance with the Rate and Method; provided that, the Maximum Special Tax may be reduced by the City Treasurer of the Finance Department of the City in accordance with the Rate and Method when all Bonds are issued (if issued) in order to reflect the actual rate or rates of interest on such Bonds, the amount of Bonds actually issued, the actual amortization schedule for the Bonds, and any corresponding reduction in debt service.

The Greenbelt Station Special Tax is hereby levied and imposed to the extent and in the manner provided in the Rate and Method, through the application of the procedures provided for in the Rate and Method. The Greenbelt Station Special Tax shall take effect and terminate as provided in the Rate and Method.

The Maximum Special Tax is designed to provide adequate revenues to pay the principal of, interest on and redemption premium, if any, on the Bonds, to replenish any debt service reserve fund, and for any other purpose related to the ongoing expenses of or security for the Bonds, as described in the Rate and Method.

The City hereby covenants that the Greenbelt Station Special Tax shall be collected in accordance with the Rate and Method at a rate and amount at least sufficient in each year in which any of the Bonds are outstanding to provide, if necessary, for the payment of the principal of, interest on and any redemption premium on the Bonds, to make any other required payments and to provide for ongoing expenses of or security for the Bonds and other purposes, all in accordance with the Rate and Method; provided that 50% (or such lower percentage as may be determined by the City) of the amounts on deposit in the Greenbelt Station Tax Increment Fund or available from other sources (including interest earnings) shall be credited against the Greenbelt Station Special Tax to be collected in each year in accordance with the Rate and Method.

The City Treasurer, on behalf of the City, shall determine the amount of the Greenbelt Station Special Tax to be collected from each Parcel of Taxable Property in each year in accordance with the procedures set forth in the Rate and Method. The Rate and Method was prepared by MuniCap, Inc. for the benefit of the City.

The Greenbelt Station Special Tax also may be levied and imposed with respect to any Refunding Bonds pursuant to the provisions of an ordinance or resolution enacted or adopted by the City in connection with the issuance of such Refunding Bonds.

SECTION 8. Greenbelt Station Special Tax shall be levied and imposed pursuant to the Rate and Method in an amount sufficient to also pay City's expenses, which, for purposes of this Section, shall include the fees and expenses of any fiscal agent or trustee employed by the City; the expenses of the City in carrying out its duties under any Indenture including, but not limited to, levying, imposing and collecting the Greenbelt Station 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 City and fees of any professionals retained by the City to provide services for such purposes; any unpaid costs or expenses of the City relating to the acquisition by the City of the Public Improvements to be financed with proceeds of the Bonds which the City is entitled to have paid pursuant to a funding agreement with the Developers (the "Funding Agreement"); any unpaid cost or expense incurred in connection with the defense by the City of any claim, demand, suit or cause of action against or involving the City in connection with the issuance of the Bonds, the establishment of the Greenbelt Station Special Taxing District, the levy and imposition of the Greenbelt Station Special Tax or any other matters related thereto; all other costs and expenses of the City incurred in connection with the discharge of its duties under any Indenture, including legal expenses associated with such duties, and in any way related to the administration of the Greenbelt Station Special Taxing District; and any fees, expenses, or costs included in the definition of Administrative Expenses set forth in the Rate and Method and not specifically listed herein. Such amount of the Special Tax required to be levied and imposed in any fiscal year to provide for the payment of City expenses may be reduced to the extent that amounts are held under the Indenture or amounts are otherwise made available to the City, and such amounts are available for the payment of City expenses in such fiscal year. In addition, any public notice advertising or other costs related to these proceedings shall also be paid by the Owners.

SECTION 9. Pursuant to an ordinance that may be enacted by the City in accordance with the Acts for the purpose of providing funds for the activities related to the Districts as authorized by the Acts, the City may, but is not obligated to, issue the Bonds from time to time. Any such ordinance, which, if enacted, is intended to be the Bond Ordinance, shall specify, in general detail, the proposed undertakings to be financed or reimbursed with the proceeds of the Bonds; the maximum principal amount of the Bonds to be issued; and the maximum rate of interest the Bonds may bear; and shall otherwise conform to the requirements of the Acts. The creation of the Greenbelt Station Special Taxing District and the Greenbelt Station Development District and the creation of the Greenbelt Station Special Taxes Fund and the Greenbelt Station Tax Increment Fund by the City pursuant to this Resolution shall not be construed to suggest that the City has approved the final terms and conditions of (i) any financing of the Public Improvements, (ii) the issuance and terms of any Bonds, or (iii) any development agreement between the City and the Developers.

SECTION 10. (a) If no Bonds or Refunding Bonds are outstanding with respect to the District and the governing body of the City so determines, moneys in the Greenbelt Station Tax Increment Fund may be:

- (i) used for any other purposes described in Section 12-207 of the Tax Increment Financing Act;

(ii) accumulated to pay debt service on Bonds to be issued later;

(iii) used for payment or reimbursement of debt service, or payments under an agreement described in subsection (b) of Section 12-207 of the Tax Increment Financing Act, that the City is obliged under a general or limited obligation to pay, or has paid, on or relating to bonds issued by the State of Maryland, the City, or the revenue authority of Prince George's County if the proceeds were used for a purpose specified in Section 12-207 of the Tax Increment Financing Act; or

(iv) paid to the City for any other legal purpose.

(b) As long as any Bonds are outstanding with respect to the District and the governing body of the City so determines, moneys in the Greenbelt Station Tax Increment Fund may be used as provided in subsection (a) of this Section 10 in any fiscal year of the City as determined by the governing body of the City, but only if:

(i) the amount in the Greenbelt Station Tax Increment Fund plus the amount, if any, in the Greenbelt Station Special Taxes Fund exceeds the unpaid debt service payable on such Bonds in such fiscal year and the Greenbelt Station Tax Increment Fund is not restricted so as to prohibit the use of such moneys; and

(ii) such use is not prohibited by the ordinance authorizing the issuance of the applicable Bonds or by the Indenture.

SECTION 11. When no Bonds or Refunding Bonds are outstanding with respect to either of the Districts, and the governing body of the City so determines, moneys in the Greenbelt Station Special Taxes Fund may be paid to the general fund of the City; otherwise, moneys in the Greenbelt Station Special Taxes Fund shall be used and applied solely as permitted under the Special Taxing District Act.

SECTION 12. The Mayor, the City Manager, the City Treasurer and all other appropriate officers and employees of the City are further authorized to do all such acts and things and approve and execute such other documents and certificates as shall be deemed necessary or desirable by them or upon the advice of counsel, to the extent such activities are within the scope of their authority, in order to facilitate any issuance of any Bonds, the development of the Districts, the use and application of moneys in the Special Funds and the financing or reimbursement of costs of public improvements permitted under the Acts and applicable law, and the transactions contemplated by this Resolution.

SECTION 13. The provisions of this Resolution are severable, and if any provision, sentence, clause or section hereof is held or determined to be illegal, invalid, 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 or sections of this Resolution or their application to other persons or circumstances, and it is hereby declared to be the legislative intent that this Resolution would have passed if such illegal, invalid,

unconstitutional or inapplicable provision, sentence, clause or section had not been included herein, and as if the person or circumstances to which this Resolution or any part hereof are inapplicable had been specifically exempted herefrom.

SECTION 14. It is the intention of the City that the provisions of this Resolution shall be liberally construed in order to effectuate the transactions contemplated hereby and by the Acts.

BE IT FURTHER RESOLVED by the Council of the City of Greenbelt that this Resolution shall be become effective ten (10) days from the date of its passage.

PASSED by the Council of the City of Greenbelt, Maryland, at its regular meeting of April 7, 2014.

Emmett V. Jordan, Mayor

ATTEST:

Cindy Murray, City Clerk

Exhibit A

DESCRIPTION OF
THE DEVELOPMENT DISTRICT PROPERTY
AND THE SPECIAL TAXING DISTRICT PROPERTY

Being a strip or parcel of land lying in the Berwyn (21st) Election District of Prince George's County Maryland and being part of the land conveyed by CRM Mid-Atlantic Properties, LLC, to NVR MS Cavalier Greenbelt, LLC by deed dated February 27, 2013 and recorded in Liber 34533 at Folio 419, said strip or parcel of land being all of the land shown on Plats One through Eleven, Greenbelt Station and recorded in Plat Book REP 216 as Plat Nos. 40 through 50, inclusive, and Plat of Correction, Plat Ten, Greenbelt Station as recorded in Plat Book PM 226 as Plat No. 61, all among the Land Records of prince George's County, Maryland, and being more particularly described as follows:

Beginning at a point at the southwesterly corner of parcel S-1 as shown on aPlat of Correction for Plat Ten, Greenbelt Station, recorded in Plat Book PM 226 as Plat No. 61; thence running with the outline thereof

1. North 23°02'57"East, 105.86 feet;
2. North 06°15'46"West, 21.91 feet;
3. North 18°02'18"East, 27.96 feet;
4. North 35°20'34"East, 20.87 feet;
5. North 15°40'02"East, 181.77 feet;
6. North 20°27'22"East, 45.09 feet;
7. North 20°27'01"East, 147.25 feet;
8. North 20°23'45"East, 206.69 feet; and
9. North 15°27'03"East, 15.98 feet to a point at the northwesterly corner of Plat Ten, being the southwesterly corner of parcel S-2 as shown Plat Nine, Greenbelt Station, recorded in Plat Book REP 216 as Plat No. 48; thence running with the outline thereof
10. North 15°27'03"East, 7.63 feet to a point;
11. North 23°01'09"West, 23.00 feet;
12. North 21°58'51"East, 184.82 feet;
13. North 66°58'51"East, 23.00 feet;

14. North 23°32'06"East, 257.90 feet;
15. North 26°16'44"East, 149.65 feet;
16. North 27°19'51"East, 199.43 feet; and
17. North 29°59'11"East, 57.22 feet to a point at the northwesterly corner of Plat Nine, being the southwesterly corner of Plat Eight, Greenbelt Station, recorded in Plat Book REP 216 as Plat No. 47; thence with the outline thereof
18. North 29°59'11"East, 390.57 feet;
19. North 35°10'17"East, 149.49 feet;
20. North 21°13'46"East, 201.24 feet;
21. North 33°49'35"East, 198.95 feet;
22. North 29°08'08"East, 3.14 feet;
23. South 32°23'10"East, 420.69 feet;
24. South 57°40'20"East, 636.39 feet;
25. South 32°19'39"West, 355.15 feet;
26. South 18°42'36"East, 51.56 feet;
27. South 03°21'42"West, 152.01 feet; and
28. South 15°37'45"West, 11.25 feet to a point at the southeasterly corner of Plat Eight, said point being at the northeasterly end of the South 15°37'45"West, 98.97' line of Parcel I as shown on Plat Five, Greenbelt Station, recorded in Plat Book REP 216 as Plat No. 44; thence running with the outline of Plat Five
29. South 15°37'45"West, 98.97 feet; and
30. South 77°12'00"East, 16.14 feet to a point at the northwesterly corner of Plat Eleven, Greenbelt Station, recorded in Plat Book REP 216 as Plat No. 50; thence running with the outline thereof
31. South 77°12'00"East, 428.57 feet;
32. South 38°42'31"West, 1,505.08 feet;
33. North 87°35'44"West, 40.71 feet;

34. North 02°24'16"East, 330.00 feet;
35. South 75°42'24"West, 208.83 feet;
36. South 02°24'16"West, 270.00 feet;
37. North 87°35'44"West, 148.30 feet;
38. North 40°13'21"West, 11.81 feet; and
39. South 89°54'46"West, 85.50 feet to a point at the southeasterly corner of Plat One, Greenbelt Station, recorded in Plat Book REP 216 as Plat No. 40; thence running with the outline thereof
40. South 89°54'46"West, 9.22 feet;
41. South 44°54'45"West, 18.39 feet;
42. South 89°54'46"West, 253.48 feet; and
43. North 00°03'21"West, 207.03 feet to a point on the South 89°56'39"West, 213.85' line of Parcel S-1 as shown on a Plat of Correction for Plat Ten, Greenbelt Station, recorded in Plat Book PM 226 as Plat No. 61, said point lying 23.85 feet from the northeasterly end thereof; thence running with the outline of Plat Ten
44. South 89°56'39"West, 190.00 feet;
45. South 18°18'39"West, 21.07 feet;
46. South 89°56'39"West, 21.07 feet;
47. South 18°18'39"West, 24.31 feet; and
48. North 71°41'42"West, 160.15 feet to the point of beginning, **Containing** 64.20 acres of land.

Exhibit B

DESCRIPTION OF PUBLIC IMPROVEMENTS

The public improvements to be financed or reimbursed from the proceeds of the Bonds include, without limitation:

- (1) Earthwork and other site prep;
- (2) Construction of and improvements to the North-South Connector Road (also known as Greenbelt Station Parkway) and acquisition of land therefor, and related appurtenances related thereto and the acquisition of land or easements therefor;
- (3) Related construction and installation of storm water and sediment management and water/sewer improvements, and acquisition of land or easements therefor, with respect to the Greenbelt Station Parkway; and
- (4) Related grading, engineering and stake out, lighting, landscaping, identifying monuments, signage, traffic signals and traffic studies therefor, fencing, curb and gutter, sidewalks, and relocating of utilities, with respect to the Greenbelt Station Parkway.

The public improvements shall include the attributable costs of engineering, design, planning and coordination, either with the expenses related to the creation of the District and the issuance of Bonds, including any underwriter's discount, appraisals, reserve fund, capitalized interest, bond counsel and other legal fees, financial or other consultant's fees and expenses, bond and official statement printing, and all other expenses incidental thereto.

Exhibit C

RATE AND METHOD

(see attached)

**CITY OF GREENBELT, MARYLAND
GREENBELT STATION SPECIAL TAXING DISTRICT**

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES

A Special Tax is hereby levied and shall be collected in the Greenbelt Station Special Taxing District (the "District") each Fiscal Year, beginning with the Commencement Date and continuing until the year provided for in Section F 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 the Special Taxing District Act and the Tax Increment Financing Act.

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

"Administrative Expenses" means any or all of the following: the costs and expenses of the City incurred in connection with the discharge of its duties; the costs and expenses of the City in carrying out its duties under the Indenture of Trust, including, but not limited to, calculating, levying and collecting the Special Tax (whether collected by the City or otherwise) and complying with arbitrage rebate requirements and obligated persons disclosure requirements associated with applicable federal and state securities law, including an allocable share of the salaries of the City staff directly related to the administration of the District and a proportionate amount of City general administration overhead related thereto, and the out-of-pocket costs and expenses of the City for any professionals retained by the City 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 payment in lieu of rebate; fees payable for any bond insurance or other financial guaranty or credit enhancement with respect to any Bonds or under any Indenture of Trust, including, without limitation, any credit facility for any reserve fund; any unpaid cost or expense of the City, including, without limitation, fees and expenses of legal counsel and any professionals retained by the City, for which the City is entitled to indemnification pursuant to a development agreement or other agreements relating to the District incurred in connection with the defense by the City or the bringing by the City 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 set forth in the Indenture of Trust and any resolution or ordinance levying or imposing the Special Tax and not specifically included herein; all other costs and expenses of the City, 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 the case of the City, in any way related to the administration of the District.

“**Administrator**” means the designee of the City for purposes of estimating the annual Special Tax Requirement and the Special Tax to be collected each Fiscal Year and for providing other services as required herein, by the Indenture of Trust, or any other agreement relating to the District.

“**Available Tax Increment Revenues**” means fifty percent (50%) of the Tax Increment Revenues.

“**Bonds**” means any bonds or other debt, including refunding bonds, whether in one or more series, issued by the City pursuant to the Act to fund the Public Improvements.

“**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.

“**City**” means City of Greenbelt, Prince George’s County, Maryland.

“**City Council**” means the City Council of the City of Greenbelt, Prince George’s County, Maryland.

“**City Treasurer**” means the treasurer of the City or a designee of the City Council to act as the City Treasurer for the purposes of this document.

“**Commencement Date**” means the first fiscal year after the issuance of Bonds.

“**County**” means Prince George’s 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.

“**District Maximum Special Tax**” means \$677,533 for the Fiscal Year that begins with the Commencement Date. On each July 1 thereafter, the District Maximum Special Tax shall be increased to 102 percent of the District Maximum Special Tax in effect in the previous Fiscal Year. The District Maximum Special Tax as of any date shall be reduced for any prepayments of Special Taxes pursuant to Sections I, J or K occurring prior to such date.

“**Equivalent Units**” means

Residential Rental Property	0.50 per dwelling unit
Residential For Sale A Property	1.00 per dwelling unit
Residential For Sale B Property	0.62 per dwelling unit

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

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

“Mandatory Prepayment of the Special Tax” means the required partial prepayment of the Special Tax pursuant to Section K.

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

“Maximum Special Tax Rates” mean the rates provided for in Section B, as reduced pursuant to Section G.

“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.

“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.

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

“Proportionately” means that the ratio of the Special Tax actually 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 improvements benefiting the District that the City has authorized to be funded by the 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 City or otherwise) to the federal government, State of Maryland, County, City, 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.

“Required Maximum Special Tax” means the required Maximum Special Tax 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).

“Residential For Sale A Property” means Residential Property not classified as Residential Rental Property that is one of a series of two or more attached dwelling units separated from one another by continuous vertical party walls that are without openings from lowest level floor to the highest point of the roof (that is, property generally known as town homes).

“Residential For Sale B Property” means Residential Property that consists of residential units that are generally stacked above or below other residential units and not classified as Residential Rental Property (that is, property generally known as stacked flats).

“Residential Rental Property” means Residential Property acting as a detached building containing three or more rental dwelling units that is part of a residential planned and managed development for rent and under common management, including any ancillary uses thereto (that is, property generally known as apartments).

“Special Tax” means the Special Tax that may be collected by the City each Fiscal Year to fund the Special Tax Requirement.

“Special Tax Credit” means, for any Fiscal Year, the Available Tax Increment Revenues collected for that Fiscal Year and available to apply to the Special Tax Requirement. 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 Taxing District Act” means Section 21-407 et seq. of the Local Government Article of the Annotated Code of Maryland, as amended.

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

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

“Tax Increment Financing Act” means Sections 12-201 through 12-213, inclusive of Economic Development Article of the Annotated Code of Maryland, as amended.

“Tax Increment Fund” means the special tax increment fund established for the development district geographically coincident to the District created under the Tax Increment Financing Act pursuant to a resolution adopted by the City.

“Tax Increment Revenues” means the amounts required to be paid into the Tax Increment Fund each year by the City pursuant to the Tax Increment Financing Act.

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

“Trustee” means the trustee appointed by the City 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. SPECIAL TAX RATES

Prior to the Commencement Date, the Special Tax Rates for all Parcels shall be zero. Beginning with the Commencement Date, Special Tax Rates shall be as provided in this section.

1. Developed Property

The Maximum Special Tax for the Fiscal Year that begins with the Commencement Date for each Parcel of Developed Property shall be equal to the product of the number of residential dwelling units that may be built on such Parcel and the Maximum Special Tax Rate for each land use class of property shown in Table A.

TABLE A
Developed Property
Maximum Special Tax Rates
Commencement Date

Land Use Class	Maximum Special Tax Rates
Residential Rental Property	\$564 per dwelling unit
Residential For Sale A Property	\$1,128 per dwelling unit
Residential For Sale B Property	\$699 per dwelling unit

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

The computation of the number of dwelling 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 shall be conclusive as long as there is a reasonable basis for such determination.

2. Undeveloped Property

The Maximum Special Tax 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 for a Parcel of Undeveloped Property
- B = The District Maximum Special Tax
- C = The Maximum Special Taxes on all Parcels of Developed Property
- D = The Net Land Area of the Parcel for which the Special Tax is being calculated
- E = The Net Land Area of all of the Parcels of Undeveloped Property.

3. 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 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 Available Tax Increment Revenues applied to the Special Tax Requirement as provided for in Section C. 1.

4. Personal Property

The special tax rate on personal property shall be zero.

C. LEVY AND COLLECTION OF THE SPECIAL TAX

Special Taxes have been levied each Fiscal Year, beginning with the 2014-2015 Fiscal Year and continuing until the year provided for in Section F hereof, at the Maximum Special Tax. The Special Taxes shall be collected each Fiscal Year as provided for below.

1. Special Tax Requirement

The Special Tax Requirement for any Fiscal Year shall be estimated by the Administrator and confirmed by the City 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 Special Taxes in such previous Fiscal Year, (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 not otherwise taken into account, 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) Available 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. Assignment to Land Use Categories

For each Fiscal Year, each Parcel shall be classified as Public Property, Owner Association 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 For Sale A Property, Residential For Sale B Property, or Residential Rental 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.

3. Determination of the Special Tax to be Collected

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

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

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

The Administrator shall provide an estimate to the City 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.

4. Circumstances Under Which the Special Tax May be Increased as a Result of a Default

The circumstances under which the Special Tax to be collected on any Parcel may be increased as a result of a default in the payment of the Special Tax to be collected on any other Parcel is based on the provisions of Section C. 1., C. 2., and C.3. The Special Tax to be collected on any Parcel cannot be increased above the Adjusted Maximum Special Tax as a result of a default in the payment of the Special Tax levied on any other Parcel. However, if the Special Tax to be collected on any Parcel pursuant to the provisions of Section C. 1., C. 2., C.3. 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 levied on any other Parcel.

D. EXEMPTIONS

A Special Tax shall not be levied on Public Property or Owner Association Property.

E. 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 City Treasurer, provided that such time or manner is not inconsistent with the provisions of the Indenture of Trust. The Special Tax shall be secured in the same manner as general ad valorem taxes and shall be subject to the same penalties and interest and the same procedure, sale and lien priority in case of delinquency as is provided for general ad valorem taxes.

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 all Bonds, (ii) the thirtieth (30th) Fiscal Year in which such Parcel was taxed as Developed Property, and (iii) such time provided for by the Indenture of Trust.

G. REDUCTION IN THE MAXIMUM SPECIAL TAX RATE

The Maximum Special Tax Rates may be reduced by the City Treasurer once all of the Bonds are issued to reflect the actual debt service on the Bonds such that the Maximum Special Tax 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 City Treasurer shall make any reduction in writing and shall provide a copy of such reduction to the Administrator and the Trustee.

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 City Treasurer 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 City Treasurer, or the designee of the City Treasurer, 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 City Treasurer 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 City Treasurer may be appealed to the City Council, 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. PREPAYMENT OF SPECIAL TAX

The Special Tax for any Parcel may be prepaid and the obligation to pay the Special Tax for the Parcel permanently satisfied as provided for herein. The Special Tax 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, plus any delinquent Special Taxes 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 for the Parcel for which the Special Tax is being prepaid for the Fiscal Year in which such prepayment is made divided by (ii) the District Maximum Special Tax 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 Taxes collected in the corresponding Fiscal Year plus any additional Bonds authorized to be issued net of costs associated with the issuance of such Bonds, including capitalized interest and a debt service reserve fund.

Premium means an amount equal to the Principal multiplied by the applicable redemption premium, if any, for the Bonds 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 the Bonds.

Defeasance means the amount needed to pay interest on the Principal until the earliest call date for the Bonds, less (a) the amount that will be received by the Trustee from the reinvestment of the Special Tax prepayment until the Bonds are redeemed from the prepayment and (b) the Special Tax 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, 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 the reserve fund resulting from the redemption of Bonds, as provided for the Indenture of Trust.

The sum of the amounts calculated herein shall be paid to the City or the Trustee 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 City or the Trustee, the obligation to pay the Special Tax for such Parcel shall be deemed to be permanently satisfied, and the Special Tax shall not be collected thereafter from such Parcel.

J. PARTIAL PREPAYMENT OF THE SPECIAL TAX

The Special Tax 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 obligation permanently

satisfied. The amount of the prepayment shall be calculated as in Section I; 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 I
- C = the percent by which the owner of the Parcels is to partially prepay the Special Tax

With respect to any Parcel for which the Special Tax is partially prepaid, the City shall (i) distribute the funds remitted to it by the settlement agent 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 and that this portion of the Special Tax shall not be collected thereafter from these Parcels. Following a partial prepayment of the Special Tax with respect to any Parcels, the outstanding percentage of the Special Tax shall continue to be collected from such Parcels.

K. MANDATORY PREPAYMENT OF SPECIAL TAX

A Mandatory Prepayment of Special Tax shall be required upon any event that results in a reduction in the number of Equivalent Units, if provided for in the Indenture of Trust, including the conversion of Taxable Property to Public Property, such that the Maximum Special Tax for all Taxable Property in the District upon full development of the District will be less than the Required Maximum Special Tax. A reduction in Equivalent Units shall be based on the methodology set forth in Indenture of Trust relating to the determination of the Required Maximum Special Tax.

The Mandatory Prepayment of Special Tax shall be calculated as set forth in Section I; 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
- B = the Required Maximum Special Tax
- C = the Maximum Special Tax for the Parcel, calculated as set forth above
- D = the District Maximum Special Tax
- E = the total principal amount of Bonds outstanding.

The amounts calculated in the preceding formula shall be paid to the City or the Trustee 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.

The Mandatory Prepayment of Special Tax 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. In the event the Mandatory Prepayment of Special Tax is not paid prior to the change in any Parcel, the total Mandatory Prepayment of Special Tax may be collected from any and all of the resulting Parcels. The Mandatory Prepayment of Special Tax shall have the same sale and lien priorities as provided for by law for Special Taxes.

The Mandatory Prepayment of Special Tax 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 I.

L. ELIMINATION OF THE MANDATORY PREPAYMENT OF SPECIAL TAX

The Mandatory Prepayment of Special Tax may be terminated by the City Treasurer 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 City Treasurer shall make such termination in writing and copy of any such termination shall be provided to the Administrator and the Trustee.

M. AMENDMENTS

This Rate and Method of Apportionment of Special Taxes may be amended by the City 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 City 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. No such amendment shall be approved unless and until the City 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.

N. INTERPRETATION OF PROVISIONS

The City 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 City, such determination shall be conclusive.